

CADILLAC AREA PUBLIC SCHOOLS

CADILLAC, MICHIGAN

JUNE 30, 2008

Baird, Cotter and Bishop, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

134 WEST HARRIS STREET CADILLAC, MICHIGAN 49601

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CADILLAC AREA PUBLIC SCHOOLS
CADILLAC, MICHIGAN

ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2008

TABLE OF CONTENTS

	<u>PAGES</u>
Independent Auditors' Report	i-ii
Management's Discussion and Analysis	iii-ix
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Assets	1
Statement of Activities	2
Fund Financial Statements	
Balance Sheet - Governmental Funds	3
Reconciliation of Balance Sheet of Governmental Funds to Net Assets	4
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	5
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	6
Fiduciary Funds	
Statement of Fiduciary Net Assets	7
Statement of Changes in Fiduciary Net Assets	8
Notes to Financial Statements	9-25
Required Supplementary Information	
Budgetary Comparison Schedule - General Fund	26
Combining and Individual Fund Financial Statements	
Nonmajor Governmental Fund Types	
Combining Balance Sheet	27
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	28
Financial Statements of Individual Funds	
General Fund	
Comparative Balance Sheet	29
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	30-31
Analysis of Revenues - Budget and Actual	32-33
Analysis of Expenditures - Budget and Actual	34-39

CADILLAC AREA PUBLIC SCHOOLS
CADILLAC, MICHIGAN

ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2008

TABLE OF CONTENTS

	<u>PAGES</u>
Special Revenue (School Service) Funds	
Combining Balance Sheet	40-41
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	42-43
Food Service Fund	
Comparative Balance Sheet	44
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	45
Athletic Activities Fund	
Comparative Balance Sheet	46
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	47
Cadillac Community School Recreation Fund	
Comparative Balance Sheet	48
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	49-50
Camp Torenta Fund	
Comparative Balance Sheet	51
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	52
Debt Retirement Funds	
Combining Balance Sheet	53
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	54
Capital Projects Fund	
Comparative Balance Sheet	55
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	56
Fiduciary Fund Types	
Combining Balance Sheet	57-58
Private Purpose Trust Funds	
Combining Balance Sheet	59-60
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	61-62

CADILLAC AREA PUBLIC SCHOOLS
CADILLAC, MICHIGAN

ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2008

TABLE OF CONTENTS

	<u>PAGES</u>
Agency Funds	
Combining Balance Sheet	63-64
Statement of Cash Receipts, Disbursements and Balance	
Elementary Schools Account	65
Junior High School Account	66
Mackinaw Trail Middle School Account	67
High School Account	68-69
Cadillac Community School Recreation Account	70
Other Supplementary Information	
Schedule of 2007 Tax Rolls	71
Schedule of 2007 Industrial Facilities Tax Rolls	72
Schedule of Bonds Payable	
1998 Refunding Bond Issue	73
1998 School Improvement Bond Issue	74-75
2005 Refunding Bond Issue	76-77
2008 Refunding Bond Issue	78-79

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August 8, 2008

INDEPENDENT AUDITORS' REPORT

To the Board of Education
Cadillac Area Public Schools
Cadillac, Michigan

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Cadillac Area Public Schools, Cadillac, Michigan, as of and for the year ended June 30, 2008, which collectively comprise the Districts' basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Cadillac Area Public Schools' management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position, the governmental activities, each major fund, and the aggregate remaining fund information of Cadillac Area Public Schools, Cadillac, Michigan, as of June 30, 2008, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 8, 2008, on our consideration of Cadillac Area Public Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages iii through ix and 26, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Cadillac Area Public Schools, Cadillac, Michigan basic financial statements. The combining and individual nonmajor fund financial statements and other supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and supplementary information have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

BAIRD, COTTER AND BISHOP, P.C.

Baird, Cotter & Bishop, P.C.

CADILLAC AREA PUBLIC SCHOOLS
CADILLAC, MICHIGAN

MANAGEMENT’S DISCUSSION AND ANALYSIS

FOR FISCAL YEAR ENDED JUNE 30, 2008

Cadillac Area Public Schools, a K-12 school district located in Wexford, Osceola and Lake Counties, Michigan has implemented the provisions of Governmental Accounting Standards Board Statement 34 (GASB 34). The Management’s Discussion and Analysis, a requirement of GASB 34, is intended to be the Cadillac Area Public Schools administration’s discussion and analysis of the financial results for the fiscal year ended June 30, 2008, along with specific comparative information as required.

Generally accepted accounting principles (GAAP), according to GASB 34, require the reporting of two types of financial statements: fund financial statements and government-wide financial statements.

A. Fund Financial Statements

The fund level statements are reported on a modified accrual basis in that only those assets that are “measurable” and “currently available” are reported. Liabilities are recognized to the extent they are normally expected to be paid with current financial resources.

The fund statements are formatted to comply with the legal requirements of the Michigan Department of Education’s “Accounting Manual.” In the State of Michigan, school districts’ major instructional and instructional support activities are reported in the General Fund. Additional activities are reported in various other funds which include Special Revenue Funds, Capital Projects and Debt Service Funds.

In the fund financial statements, capital assets purchased are reported as expenditures in the year of acquisition with no asset being reported. The issuance of debt is recorded as a financial resource. The current year’s payments of principal and interest on long-term obligations are recorded as expenditures. The obligations for future years’ debt service are not recorded in the fund financial statements.

B. Government-wide Financial Statements

The government-wide financial statements are calculated using full accrual accounting and more closely represent those presented by business and industry. The entire District’s assets and liabilities, both short and long-term, are reported. As such, these statements include capital assets, net of related depreciation, as well as the bonded debt of the District.

CADILLAC AREA PUBLIC SCHOOLS
CADILLAC, MICHIGAN

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR FISCAL YEAR ENDED JUNE 30, 2008

C. Summary of Net Assets

The following schedule summarizes the net assets at fiscal year ended June 30:

	<u>2008</u>	<u>2007</u>
Assets		
Current Assets	\$ 7,535,681	\$ 7,776,634
Non Current Assets		
Capital Assets	38,556,820	38,227,037
Less Accumulated Depreciation	<u>(14,603,657)</u>	<u>(13,722,007)</u>
 Total Non Current Assets	 <u>23,953,163</u>	 <u>24,505,030</u>
 Total Assets	 <u><u>\$ 31,488,844</u></u>	 <u><u>\$ 32,281,664</u></u>
 Liabilities		
Current Liabilities	\$ 3,592,980	\$ 3,479,060
Non Current Liabilities	<u>19,458,720</u>	<u>21,289,345</u>
 Total Liabilities	 <u>23,051,700</u>	 <u>24,768,405</u>
 Net Assets		
Invested in Capital Assets Net of Related Debt	3,865,390	2,675,169
Restricted for Debt Service	66,240	628,663
Unrestricted	<u>4,505,514</u>	<u>4,209,427</u>
 Total Net Assets	 <u>8,437,144</u>	 <u>7,513,259</u>
 Total Liabilities and Net Assets	 <u><u>\$ 31,488,844</u></u>	 <u><u>\$ 32,281,664</u></u>

D. Analysis of Financial Position

During the fiscal year ended June 30, 2008, the District's net assets increased by \$923,885. A few of the more significant factors affecting net assets during the year are discussed below:

1. Depreciation Expense

GASB 34 requires school districts to maintain a record of annual depreciation expense and the accumulation of depreciation expense over time. The net increase in accumulated depreciation expense is a reduction in net assets.

CADILLAC AREA PUBLIC SCHOOLS
CADILLAC, MICHIGAN

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR FISCAL YEAR ENDED JUNE 30, 2008

Depreciation expense is recorded on a straight-line basis over the estimated useful lives of the assets. In accordance with GAAP, depreciation expense is calculated based on the original cost of the asset less an estimated salvage value, where applicable. For the fiscal year ended June 30, 2008, \$930,275 was recorded for depreciation expense.

2. Capital Outlay Acquisitions

For the fiscal year ended June 30, 2008, \$378,408 of expenditures for buses, equipment, textbooks and building improvements were capitalized and recorded as assets of the District. These additions to the District's capital assets will be depreciated over time as explained above.

The net effect of the new capital assets and the current year's depreciation is a decrease to capital assets in the amount of \$551,867 for the fiscal year ended June 30, 2008.

E. Results of Operations

For the fiscal year ended June 30, the results of operations, on a District-wide basis, were:

	<u>2008</u>	<u>2007</u>
General Revenues		
Property Taxes	\$ 8,072,338	\$ 7,583,733
Investment Earnings	144,540	198,013
State Sources	16,815,997	17,013,312
Gain on Sale of Capital Assets	8,325	0
Other	<u>548,295</u>	<u>476,482</u>
Total General Revenues	<u>25,589,495</u>	<u>25,271,540</u>
Program Revenues		
Charges for Services	1,089,601	1,257,032
Operating Grants	4,094,942	3,699,692
Capital Grants	<u>0</u>	<u>541,840</u>
Total Program Revenues	<u>5,184,543</u>	<u>5,498,564</u>
Total Revenues	<u>30,774,038</u>	<u>30,770,104</u>

CADILLAC AREA PUBLIC SCHOOLS
CADILLAC, MICHIGAN

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR FISCAL YEAR ENDED JUNE 30, 2008

	<u>2008</u>	<u>2007</u>
Expenses		
Instruction	16,248,459	16,236,330
Supporting Services	9,446,235	9,449,496
Food Service Activities	1,178,068	1,128,052
Athletic Activities	709,725	556,123
Community Services	432,482	445,699
Interest on Long-Term Debt	904,909	926,314
Other Transactions	0	33,217
Unallocated Depreciation	<u>930,275</u>	<u>1,191,771</u>
Total Expenses	<u>29,850,153</u>	<u>29,967,002</u>
Change in Net Assets	<u><u>\$ 923,885</u></u>	<u><u>\$ 803,102</u></u>

F. Analysis of Significant Revenues and Expenses

Significant revenues and expenses are discussed in the segments below:

1. Property Taxes

The District levies 18.00 mills of property taxes for operations on non-homestead properties, less the mandatory reductions required by the Headlee Amendment, Article IX, Section 31. In November 2006, the District received approval from the voters for an extra 1.00 mill for seven years to insure the full 18 mills could be levied. According to Michigan law, the taxable levy is based on the taxable valuation of properties. The annual taxable valuation increases are capped at the rate of the prior year's Consumer's Price Index increase or 5%, whichever is less. At the time property is sold, its taxable valuation is readjusted to the State Equalized Value, which in theory is half of the property's market value.

For the 2007-2008 fiscal year, the District levied \$6,037,582 in non-homestead property taxes. This represented an increase of 7.96% from the prior year. The amount of unpaid property taxes at June 30, 2008, was \$64,406.

CADILLAC AREA PUBLIC SCHOOLS
CADILLAC, MICHIGAN

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR FISCAL YEAR ENDED JUNE 30, 2008

The following table summarizes the non-homestead property tax levies for operations for the past five years:

<u>Fiscal Year</u>	<u>Non-Homestead Tax Levy</u>
2007-2008	\$ 6,037,582
2006-2007	5,592,580
2005-2006	5,270,523
2004-2005	4,685,895
2003-2004	4,391,490

2. State Sources

The majority of the state sources is comprised of the per student foundation allowance. The State of Michigan funds districts based on a blended student enrollment. The blended enrollment consists of 75% of the current year's fall count and 25% of the prior year's spring count. For the 2007-2008 fiscal year, the District received \$7,204 per student FTE.

3. Student Enrollment

The following schedule summarizes the blended student enrollment for the past five fiscal years:

<u>Fiscal Year</u>	<u>Blended Student FTE</u>
2007-2008	3,235
2006-2007	3,261
2005-2006	3,304
2004-2005	3,357
2003-2004	3,385

4. Operating Grants

The District funds a significant portion of its operations with categorical grant sources. For the fiscal year ended June 30, 2008, federal, state, and other grants of this type accounted for \$4,094,942.

CADILLAC AREA PUBLIC SCHOOLS
CADILLAC, MICHIGAN

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR FISCAL YEAR ENDED JUNE 30, 2008

G. General Fund Budgetary Highlights

The Uniform Budget Act of the State of Michigan requires that the local Board of Education approve the original budget for the upcoming fiscal year prior to its starting on July 1. Any amendments made to the operating budget must be approved by the Board prior to the close of the fiscal year on June 30.

For the 2007-2008 fiscal year, the District amended the general fund budget in June 2008. The following schedule shows a comparison of the original general fund budget, the final amended general fund budget and actual totals from operations:

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
<u>REVENUES</u>	<u>\$ 26,142,538</u>	<u>\$ 26,891,432</u>	<u>\$ 26,886,612</u>
<u>EXPENDITURES</u>			
Instruction	\$ 16,277,786	\$ 16,519,554	\$ 16,444,127
Supporting Services	9,458,563	9,477,531	9,486,823
Community Services	55,600	14,501	7,718
Transfers and Other Transactions	506,188	541,361	541,361
Total Expenditures	<u>\$ 26,298,137</u>	<u>\$ 26,552,947</u>	<u>\$ 26,480,029</u>

The change from the Total Revenue Original Budget to Final Budget was an increase of \$748,894. In June 2007 the State School Aid Budget had not yet been passed by the Legislature. In addition, there was a great deal of uncertainty regarding repeal and replacement of the Single Business Tax. Therefore, the original budget approved by the Board assumed there would be no foundation allowance increase. The original budget was prepared with a 75 student loss. The actual student loss of only 26 students combined with a \$119 per student increase in the foundation allowance accounted for more than \$700,000 in increased revenues.

The change in the Total Expenditures Original Budget to Final Budget was an increase of \$254,810. The Board made the final decision to add "all day, every day" kindergarten at all of our five elementary schools in August of 2007. Also, the State provided CAPS with a preschool allocation in March of 2008 that allowed for a summer school for preschool age children. These two new programs resulted in more than \$200,000 of additional expenditures that were not included in the original budget.

CADILLAC AREA PUBLIC SCHOOLS
CADILLAC, MICHIGAN

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR FISCAL YEAR ENDED JUNE 30, 2008

H. Capital Asset and Debt Administration

1. Capital Assets

At June 30, 2008, the District has \$38,556,820 in a broad range of capital assets, including school buildings and facilities, school buses and other vehicles, and various types of equipment. Depreciation expense for the year amounted to \$930,275 bringing the accumulated depreciation to \$14,603,657 as of June 30, 2008.

2. Long-Term Debt

At June 30, 2008, the District had \$19,474,633 in bonded debt outstanding. This represents a reduction of \$1,930,000 from the amount outstanding at the close of the prior fiscal year. During the 2007-2008 fiscal year the District issued bonds to advance refund the 1998 bond issue. This refunding reduced future debt service payments and resulted in an economic gain of \$650,196.

I. Factors Bearing on the District's Future

At the time that these financial statements were prepared and audited, the District was aware of the following items that could significantly affect its financial health in the future:

- With the current economic condition in the country, and especially in the State of Michigan, uncertainty surrounds the ability of the State to maintain the student foundation allowance for the 2008-09 fiscal year.
- The State School Aid Fund has grown by one to two percent each year since 2002. During this same period the cost of employee benefits has increased from five to ten percent each year. This "structural deficit" poses a serious challenge for all schools in the State of Michigan.

J. Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report, please contact Cadillac Area Public Schools, 421 S. Mitchell Street, Cadillac, Michigan 49601.

CADILLAC AREA PUBLIC SCHOOLS

CADILLAC, MICHIGAN

STATEMENT OF NET ASSETS

JUNE 30, 2008

ASSETS

CURRENT ASSETS

Cash	\$ 1,906,615
Taxes Receivable	74,558
Accounts Receivable	30,504
Due from Other Governments	3,987,017
Interest Receivable	1,415
Prepaid Expense	114,773
Inventory	95,282
Investments	1,325,517
Total Current Assets	<u>7,535,681</u>

NON CURRENT ASSETS

Capital Assets	38,556,820
Less Accumulated Depreciation	<u>(14,603,657)</u>
Total Non Current Assets	<u>23,953,163</u>
TOTAL ASSETS	<u>\$ 31,488,844</u>

LIABILITIES AND NET ASSETS

LIABILITIES

CURRENT LIABILITIES

Accounts Payable	\$ 350,521
Accrued Expenses	522,784
Accrued Interest	140,033
Due to Other Governments	13,475
Salaries Payable	1,291,579
Deferred Revenue	11,554
Current Portion of Non Current Liabilities	<u>1,263,034</u>
Total Current Liabilities	<u>3,592,980</u>

NON CURRENT LIABILITIES

Bonds Payable	20,087,773
Special Assessments	4,739
Compensated Absences	629,242
Less Current Portion of Non Current Liabilities	<u>(1,263,034)</u>
Total Non Current Liabilities	<u>19,458,720</u>
Total Liabilities	<u>23,051,700</u>

NET ASSETS

Invested in Capital Assets Net of Related Debt	3,865,390
Restricted for Debt Service	66,240
Unrestricted	<u>4,505,514</u>
Total Net Assets	<u>8,437,144</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 31,488,844</u>

The notes to the financial statements are an integral part of this statement.

CADILLAC AREA PUBLIC SCHOOLS
CADILLAC, MICHIGAN

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2008

					GOVERNMENTAL ACTIVITIES
					NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS
FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			
		CHARGES FOR SERVICES	OPERATING GRANTS	CAPITAL GRANTS	
<u>GOVERNMENTAL ACTIVITIES</u>					
Instruction					
Basic Programs	\$12,859,860	\$ 68,522	\$ 1,347,067	\$ 0	\$ (11,444,271)
Added Needs	2,522,575	81,958	1,863,135	0	(577,482)
Adult/Continuing Education	866,024	0	38,985	0	(827,039)
Supporting Services					
Pupil	1,413,022	0	81,555	0	(1,331,467)
Instructional Staff	817,197	0	19,528	0	(797,669)
General Administration	446,410	0	0	0	(446,410)
School Administration	1,720,320	0	0	0	(1,720,320)
Business	587,292	0	0	0	(587,292)
Operation and Maintenance of Plant	3,106,967	0	0	0	(3,106,967)
Pupil Transportation Services	1,355,027	0	4,831	0	(1,350,196)
Food Service Activities	1,178,068	509,933	728,465	0	60,330
Athletic Activities	709,725	131,488	0	0	(578,237)
Community Services	432,482	297,700	11,376	0	(123,406)
Interest on Long Term Debt	904,909	0	0	0	(904,909)
Unallocated Depreciation	930,275	0	0	0	(930,275)
Total Governmental Activities	<u>\$29,850,153</u>	<u>\$ 1,089,601</u>	<u>\$ 4,094,942</u>	<u>\$ 0</u>	<u>(24,665,610)</u>
<u>GENERAL REVENUES</u>					
Property Taxes -Levied for General Purposes					6,037,582
Property Taxes -Levied for Debt Service					2,034,756
Investment Earnings					144,540
State Sources					16,815,997
Gain on Sale of Capital Assets					8,325
Other					548,295
Total General Revenues					<u>25,589,495</u>
Change in Net Assets					923,885
<u>NET ASSETS</u> - Beginning of Year					<u>7,513,259</u>
<u>NET ASSETS</u> - End of Year					\$ 8,437,144

The notes to the financial statements are an integral part of this statement.

CADILLAC AREA PUBLIC SCHOOLS
CADILLAC, MICHIGAN

BALANCE SHEET
GOVERNMENTAL FUNDS

JUNE 30, 2008

	GENERAL FUND	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 893,380	\$ 1,013,235	\$ 1,906,615
Taxes Receivable	64,406	10,152	74,558
Accounts Receivable	17,797	12,707	30,504
Due from Other Governments	3,974,585	12,432	3,987,017
Due from Other Funds	77,767	125,679	203,446
Interest Receivable	0	1,415	1,415
Prepaid Expenditures	114,548	225	114,773
Inventory	63,044	32,238	95,282
Investments	1,325,517	0	1,325,517
	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	\$ 6,531,044	\$ 1,208,083	\$ 7,739,127
	<hr/>	<hr/>	<hr/>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>LIABILITIES</u>			
Accounts Payable	\$ 300,840	\$ 49,681	\$ 350,521
Due to Other Governments	13,475	0	13,475
Accrued Expenses	518,677	4,107	522,784
Salaries Payable	1,284,145	7,434	1,291,579
Deferred Revenue	55,774	7,600	63,374
Due to Other Funds	0	203,446	203,446
	<hr/>	<hr/>	<hr/>
Total Liabilities	2,172,911	272,268	2,445,179
	<hr/>	<hr/>	<hr/>
<u>FUND BALANCE</u>			
Reserved for Inventory	63,044	32,238	95,282
Reserved for Prepaid Expenditures	114,548	225	114,773
Reserved for Debt Service	0	206,273	206,273
Unreserved, Designated, Reported In			
General Fund	4,180,541	0	4,180,541
Special Revenue Funds	0	159,030	159,030
Unreserved, Undesignated, Reported In			
Special Revenue Funds	0	76,481	76,481
Capital Project Fund	0	461,568	461,568
	<hr/>	<hr/>	<hr/>
Total Fund Balances	4,358,133	935,815	5,293,948
	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCES	\$ 6,531,044	\$ 1,208,083	\$ 7,739,127
	<hr/>	<hr/>	<hr/>

The notes to the financial statements are an integral part of this statement.

CADILLAC AREA PUBLIC SCHOOLS
CADILLAC, MICHIGAN

RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS TO NET ASSETS

JUNE 30, 2008

Total Governmental Fund Balances	\$ 5,293,948
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and are not reported in the funds

The cost of the capital assets is	\$ 38,556,820	
Accumulated depreciation is	<u>(14,603,657)</u>	23,953,163

Long term liabilities are not due and payable in the current period and are not reported in the funds

Bonds Payable	(19,474,633)	
Special Assessment	(4,739)	
Compensated Absences	(629,242)	

Accrued interest is not included as a liability in governmental funds, it is recorded when paid	(140,033)
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Balance of taxes receivable at June 30, 2008, expected to be collected after September 1, 2008	51,820
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The issuance of Long-Term Debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

(613,140)

NET ASSETS OF GOVERNMENTAL ACTIVITIES

\$ 8,437,144

The notes to the financial statements are an integral part of this statement.

CADILLAC AREA PUBLIC SCHOOLS
CADILLAC, MICHIGAN

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2008

	GENERAL FUND	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<u>REVENUES</u>			
Local Sources	\$ 6,505,505	\$ 3,082,289	\$ 9,587,794
Intermediate Sources	0	68,200	68,200
State Sources	18,764,162	57,468	18,821,630
Federal Sources	907,962	679,469	1,587,431
Other Transactions	708,983	0	708,983
Total Revenues	<u>26,886,612</u>	<u>3,887,426</u>	<u>30,774,038</u>
<u>EXPENDITURES</u>			
Instruction			
Basic Programs	13,063,190	0	13,063,190
Added Needs	2,516,208	0	2,516,208
Adult/Continuing Education	864,729	0	864,729
Supporting Services			
Pupil	1,408,737	0	1,408,737
Instructional Staff	822,337	0	822,337
General Administration	446,269	0	446,269
School Administration	1,720,042	0	1,720,042
Business	549,961	0	549,961
Operation and Maintenance of Plant	3,107,734	0	3,107,734
Pupil Transportation Services	1,431,743	0	1,431,743
Community Services	7,718	424,764	432,482
Food Service Activities	0	1,178,614	1,178,614
Athletic Activities	0	709,725	709,725
Capital Outlay	0	14,800	14,800
Debt Service			
Principal	0	1,085,000	1,085,000
Interest	0	804,146	804,146
Other Transactions	0	906,107	906,107
Total Expenditures	<u>25,938,668</u>	<u>5,123,156</u>	<u>31,061,824</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	<u>947,944</u>	<u>(1,235,730)</u>	<u>(287,786)</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In	0	1,341,229	1,341,229
Transfers Out	(541,361)	(799,868)	(1,341,229)
Debt Issuance	0	8,630,000	8,630,000
Premium on Bonds Sold	0	339,468	339,468
Payment to Refunded Bond Escrow Agent	0	(8,845,992)	(8,845,992)
Total Other Financing Sources (Uses)	<u>(541,361)</u>	<u>664,837</u>	<u>123,476</u>
Net Change in Fund Balance	406,583	(570,893)	(164,310)
<u>FUND BALANCE</u> - Beginning of Year	<u>3,951,550</u>	<u>1,506,708</u>	<u>5,458,258</u>
<u>FUND BALANCE</u> - End of Year	<u>\$ 4,358,133</u>	<u>\$ 935,815</u>	<u>\$ 5,293,948</u>

The notes to the financial statements are an integral part of this statement.

CADILLAC AREA PUBLIC SCHOOLS
CADILLAC, MICHIGAN

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2008

Net Change in Fund Balances Total Governmental Funds	\$ (164,310)
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Amounts reported for governmental activities are different because:

Governmental funds report capital outlays as expenditures. In the statement of activities these costs are allocated over their estimated useful lives as depreciation.

Depreciation Expense	(930,275)
Capital Outlay	378,408

Accrued interest on bonds is recorded in the statement of activities when incurred; it is not recorded in governmental funds until it is paid:

Accrued Interest Payable - Beginning of Year	164,814
Accrued Interest Payable - End of Year	(140,033)

Revenue is recorded on the accrual method in the statement of activities; in the governmental funds it is recorded on the modified accrual method and not considered

Taxes Included in Deferred Revenue - Beginning of Year	(90,334)
Taxes Included in Deferred Revenue - End of Year	51,820

The issuance of Long-Term Debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

1,743,291

Employees Early Retirement and Accumulated Sick Pay are reported on the accrual method in the statement of activities, and recorded as an expenditure when financial resources are used in the governmental funds:

Accumulated Sick Pay - Beginning of Year	539,746
Accumulated Sick Pay - End of Year	(629,242)

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 923,885</u>
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The notes to the financial statements are an integral part of this statement.

CADILLAC AREA PUBLIC SCHOOLS
CADILLAC, MICHIGAN

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS

JUNE 30, 2008

	<u>PRIVATE PURPOSE TRUST FUNDS</u>	<u>AGENCY FUNDS</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 268,472	\$ 150,441
Accrued Interest	1,289	0
	<u>\$ 269,761</u>	<u>\$ 150,441</u>
 <u>LIABILITIES AND NET ASSETS</u>		
<u>LIABILITIES</u>		
Due to Groups and Organizations	\$ 0	\$ 150,441
<u>NET ASSETS</u>		
Reserved for Trust Activities	<u>269,761</u>	<u>0</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 269,761</u>	 <u>\$ 150,441</u>

The notes to the financial statements are an integral part of this statement.

CADILLAC AREA PUBLIC SCHOOLS
CADILLAC, MICHIGAN

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS

JUNE 30, 2008

	<u>PRIVATE PURPOSE TRUST FUNDS</u>
<u>ADDITIONS</u>	
Donations	\$ 4,100
Earnings on Investments and Deposits	<u>11,365</u>
Total Additions	<u>15,465</u>
 <u>DEDUCTIONS</u>	
Scholarships Awarded	12,200
Miscellaneous	<u>2,516</u>
Total Deductions	<u>14,716</u>
 CHANGE IN NET ASSETS	749
 <u>NET ASSETS</u> - Beginning of Year	<u>269,012</u>
 <u>NET ASSETS</u> - End of Year	<u><u>\$ 269,761</u></u>

The notes to the financial statements are an integral part of this statement.

CADILLAC AREA PUBLIC SCHOOLS
CADILLAC, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Cadillac Area Public Schools have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

A. Reporting Entity

Cadillac Area Public Schools (the "District") is located in Wexford, Osceola, and Lake Counties with its administrative offices located in Cadillac, Michigan. The District is governed by the Cadillac Area Public Schools Board of Education (the "Board"), which has responsibility and control over all activities related to public school education within the District. The District provides services to its students in elementary, middle school, high school, special education instruction, guidance, health, transportation, food service, athletics and recreation. The District receives funding from local, state, and federal government sources and must comply with all of the requirements of these funding source entities. However, the District is not included in any other governmental reporting entity as defined by generally accepted accounting principles. Board members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and the primary accountability for fiscal matters. In addition, the District's reporting entity does not contain any component units as defined in Governmental Accounting Standards Board Statement No. 14.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. The government-wide financial statements categorize primary activities as either governmental or business type. All of the District's activities are classified as governmental activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges paid by recipients who purchase, use or directly benefit from goods or services by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. State Foundation Aid, certain revenue from the intermediate school district and other unrestricted items are not included as program revenues but instead as *general revenues*.

In the government-wide statement of net assets, the governmental activities column (a) is presented on a consolidated basis, (b) and is reported on a full accrual, economic resource basis, which recognizes

CADILLAC AREA PUBLIC SCHOOLS
CADILLAC, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

all long-term assets and receivables as well as long-term debt and obligations. The District's net assets are reported in three parts - invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets.

The District first utilizes restricted resources to finance qualifying activities.

The government-wide statement of activities reports both the gross and net cost of each of the District's functions. The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues and charges, etc.). The statement of activities reduces gross expenses by related program revenues and operating grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants.

The net costs (by function) are normally covered by general revenue (property taxes, state sources, intermediate district sources, interest income and other revenues).

The District does not allocate indirect costs.

This government-wide focus is more on the sustainability of the District as an entity and the change in the District's net assets resulting from the current year's activities.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Governmental Funds - Governmental funds are those funds through which most school district functions typically are financed. The acquisition, use and balances of the school district's expendable financial resources and the related current liabilities are accounted for through governmental funds.

The District reports the following major governmental fund:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

Other Non-major Funds

The *special revenue funds* account for revenue sources that are legally restricted to expenditures for specific purposes. The District accounts for its food service, athletic, community school recreation, and Camp Torenta activities in the special revenue funds.

The *1998, 2005, 2008, and Durant debt service funds* account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

CADILLAC AREA PUBLIC SCHOOLS
CADILLAC, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

The *capital projects fund* accounts for the acquisition of fixed assets or construction of major capital projects.

Fiduciary funds account for assets held by the District in a trustee capacity or as an agent on behalf of others. Trust funds account for assets held by the District under the terms of a formal trust agreement. Fiduciary funds are not included in the government-wide statements.

The *private purpose trust funds* are accounted for using the accrual method of accounting. Private purpose trust funds account for contributions earmarked for scholarships available to qualifying students of the District.

The *agency fund* is custodial in nature and does not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. This fund is used to account for assets that the District holds for others in an agency capacity (primarily student activities).

C. Measurement Focus, Basis of Accounting and Basis of Presentation

Accrual Method

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Modified Accrual Method

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, state and federal aid and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

CADILLAC AREA PUBLIC SCHOOLS
CADILLAC, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

State Revenue

The State of Michigan utilizes a foundation grant approach which provides for a specific annual amount of revenue per pupil based on a statewide formula. The Foundation is funded from state and local sources. Revenues from state sources are primarily governed by the School Aid Act and the School Code of Michigan. The Michigan Department of Education administers the allocation of state funds to school districts based on information supplied by the districts. For the year ended June 30, 2008, the foundation allowance was based on pupil membership counts taken in February and September of 2007. For fiscal year ended June 30, 2008, the per pupil foundation allowance was \$7,204 for Cadillac Area Public Schools.

The state portion of the foundation is provided primarily by a state education property tax millage of 6 mills and an allocated portion of state sales and other taxes. The local portion of the foundation is funded primarily by non-homestead property taxes which may be levied at a rate of up to 18 mills. The State revenue is recognized during the foundation period and is funded through payments from October 2007 to August 2008. Thus, the unpaid portion at June 30th is reported as due from other governmental units.

The District also receives revenue from the state to administer certain categorical education programs. State rules require that revenue earmarked for these programs be used for its specific purpose. Certain governmental funds require an accounting to the state of the expenditures incurred. For categorical funds meeting this requirement, funds received, which are not expended by the close of the fiscal year are recorded as deferred revenue. Other categorical funding is recognized when the appropriation is received.

D. Other Accounting Policies

1. Cash and Investments

Cash includes amounts in demand deposits.

Investments are carried at market value.

The District complies with State statutes regarding investment of funds.

The Board policy on investment of funds authorizes the School District to invest as follows:

- (a) Bonds, bills, or notes of the United States, or obligations, the principal and interest of which are fully guaranteed by the United States Government.

CADILLAC AREA PUBLIC SCHOOLS
CADILLAC, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

- (b) Certificates of deposit issued by any state or national bank organized and authorized to operate in this state.
- (c) Commercial paper rated prime at the time of purchase and maturing not more than 270 days after the date of purchase.
- (d) Securities issued or guaranteed by agencies or instrumentalities of the United States.

The School's deposits and investments are held separately by several of the School District's funds.

2. Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term interfund loans are classified as "interfund receivables/payables".

3. Property Taxes

Property taxes levied by the District are collected by various municipalities and periodically remitted to the District. Property taxes are assessed as of January 1. The District has elected to have 50% of the taxes billed and due July 1st and the remaining 50% billed and due December 1. The summer levy becomes delinquent as of August 14 for City taxpayers and September 14 for Township taxpayers, and the winter levy becomes delinquent as of February 14 for all taxpayers. After these dates, unpaid taxes are subject to penalties and interest.

For the year ended June 30, 2008, the District levied the following amounts per \$1,000 of assessed valuation:

Fund	Mills
General Fund - Non-homestead	18.0000
Debt Service Fund - Homestead and non-homestead	2.9000

4. Inventories and Prepaid Expenditures

Inventories are valued at cost. Inventories in the general and special revenue funds consist of expendable supplies held for consumption, which are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenditures.

CADILLAC AREA PUBLIC SCHOOLS
CADILLAC, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

5. Capital Assets

Capital assets purchased or acquired are capitalized at historical cost or estimated historical cost. Donated capital assets are valued at their estimated fair market value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives as follows:

Buildings and additions	50 years
Furniture and other equipment	5-15 years

The District's capitalization policy is to capitalize individual amounts exceeding \$5,000.

6. Compensated Absences

It is the District's policy to permit employees to accumulated earned but unused sick pay and comp time benefits. The amount allowable to be compensated for depends on the position and the longevity of the individual employee. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

7. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. The District has opted to apply the provisions of GASB 34 paragraph 146, which allows the amortization of premiums, discounts and bond issuance costs, prospectively for all bonds issued after July 1, 2002.

CADILLAC AREA PUBLIC SCHOOLS
CADILLAC, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

8. Fund Balance

In the fund financial statements, the unreserved fund balances for governmental funds represent the amount available for budgeting future operations. Reservations of fund balance are for amounts that are not available for appropriation or are legally restricted by outside parties for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

9. Use of Estimates

The process of preparing basic financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenditures. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

- A. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the general, special revenue, and debt service funds. Encumbrance accounting is employed in governmental funds. Significant encumbrances outstanding at year end, if any, are reported as reservations of fund balance because they will be re-appropriated in the subsequent fiscal year.

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Assistant Superintendent submits to the School Board a proposed operating budget for the fiscal year commencing on July 1. The operating budget includes proposed expenditures and the means of financing them. The level of control for the budgets is at the functional level as set forth and presented as required supplementary information.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to July 1, the budget is legally adopted by the School Board resolution pursuant to the Uniform Budgeting and Accounting Act (P.A. 621 of 1978). The Act requires that the budget be amended prior to the end of the fiscal year, when necessary, to adjust appropriations if it appears that revenues and other financial sources will be less than anticipated, or so that expenditures will not be in excess of original estimates. Expenditures shall not be made or incurred, unless authorized in the budget, in excess of the amount appropriated.

CADILLAC AREA PUBLIC SCHOOLS
CADILLAC, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

4. The assistant superintendent is charged with general supervision of the budgets and shall hold the department heads responsible for performance of their responsibilities.
5. During the year, the budgets are monitored and amendments to the budget resolution are made when it is deemed necessary.
6. Budgeted amounts are as originally adopted on June 21, 2007, or as amended by the School Board of Education on June 23, 2008.

B. Excess of Expenditures Over Appropriations

Excess of expenditures over appropriations occurred in the following funds:

General Fund Supporting Services – School Administration expenditures of \$1,720,042 exceeded appropriations of \$1,682,372 by \$37,670; General Fund Supporting Services – Business expenditures of \$549,961 exceeded appropriations of \$543,966 by \$5,995; General Fund Supporting Services – Operation and Maintenance of Plant expenditures of \$3,107,734 exceeded appropriations of \$3,099,166 by \$8,568; School Service Fund – Food Service Fund expenditures of \$1,178,614 exceeded appropriations of \$1,165,400 by \$13,214; School Service Fund – Community School Recreation Fund expenditures of \$384,433 exceeded appropriations of \$357,682 by \$26,751; School Service Fund – Camp Torenta Fund expenditures of \$40,331 exceeded appropriations of \$39,680 by \$651.

NOTE 3 - DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments - Credit Risk

The District's deposits and investments are all on deposit with banks within the City of Cadillac and Michigan School District Liquid Asset Fund Plus.

Investment rate risk. The District will minimize Interest Rate Risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by; structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the open market; and investing operating funds primarily in shorter-term securities, liquid asset funds, money market mutual funds, or similar investing pools and limiting the average maturity in accordance with the District's cash requirement.

Foreign currency risk. The District is not authorized to invest in investments, which have this type of risk.

CADILLAC AREA PUBLIC SCHOOLS
CADILLAC, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

Credit risk. The District will minimize Custodial Credit Risk, which is the risk of loss due to the failure of the security issuer or backer, by; limiting investments to the types of securities listed in the District's investment policy; and pre-qualifying the financial institutions, brokers/dealer, intermediaries and advisors with which the District will do business in accordance with the District's investment policy.

Concentration of credit risk. The District will minimize Concentration of Credit Risk, which is the risk of loss attributed to the magnitude of the District's investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized.

Custodial credit risk – deposits. In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. As of June 30, 2008, \$3,862,322 of the government's bank balance of \$4,655,483 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investments are categorized to give an indication of the level of risk assumed by the District at year end. Category 1 includes investments that are insured or registered, or securities held by the District or the District's agent in the District's name. Category 2 includes investments that are uninsured and unregistered with securities held by the counterparty's trust department or its agent in the District's name. Category 3 includes investments that are uninsured and unregistered, with the securities held by the counterparty, or by its trust department or its agent but not in the District's name. At year end, all of the District's investments were uncategorized as to risk.

At year-end, the only investments were investment trust funds.

Investments not subject to categorization:

Investment Trust Funds	\$ <u><u>1,325,517</u></u>
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The District invests certain excess funds in the Michigan Investment Liquid Asset Fund (MILAF). MILAF is an external pooled investment fund of "qualified" investments for Michigan school districts. MILAF is not regulated nor is it registered with the SEC. MILAF reports that as of June 30, 2008, the fair value of the District's investments is the same as the value of the pool share.

CADILLAC AREA PUBLIC SCHOOLS
CADILLAC, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

Balance Sheet classifications:

	Deposits	Investments	Fiduciary Assets	Total
Cash	\$ 1,906,615	\$ 0	\$ 418,913	\$ 2,325,528
Investments	0	1,325,517	0	1,325,517
	<u>\$ 1,906,615</u>	<u>\$ 1,325,517</u>	<u>\$ 418,913</u>	<u>\$ 3,651,045</u>

B. Receivables

Receivables as of year end for the government's individual major funds and nonmajor, and fiduciary funds are as follows:

	General	Nonmajor and Other Funds	Total
Receivables			
Interest	\$ 0	\$ 1,415	\$ 1,415
Taxes	64,406	10,152	74,558
Accounts	17,797	12,707	30,504
Due from Other Governments	3,974,585	12,432	3,987,017
Total Receivables	<u>\$ 4,056,788</u>	<u>\$ 36,706</u>	<u>\$ 4,093,494</u>

The allowance for doubtful accounts is not considered to be material for disclosure.

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

CADILLAC AREA PUBLIC SCHOOLS
CADILLAC, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

	<u>Unavailable</u>	<u>Unearned</u>
Delinquent Property Taxes Receivable (General Fund)	\$ 44,220	\$ 0
Delinquent Property Taxes Receivable (Debt Service Funds)	7,600	0
Grants Receipts Received, But Not Yet Utilized	0	11,554
	<hr/>	<hr/>
Total Deferred/Unearned Revenue for Governmental Funds	\$ 51,820	\$ 11,554
	<hr/>	<hr/>

C. Capital Assets

A summary of changes in the District's capital assets follows:

	Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008
Other Capital Assets:				
Buildings and Additions	\$ 30,202,284	\$ 0	\$ 0	\$ 30,202,284
Machinery and Equipment	5,905,354	299,803	0	6,205,157
Transportation Equipment	2,119,399	78,605	48,625	2,149,379
	<hr/>	<hr/>	<hr/>	<hr/>
Subtotal	38,227,037	378,408	48,625	38,556,820
	<hr/>	<hr/>	<hr/>	<hr/>
Accumulated Depreciation				
Buildings and Additions	7,864,012	480,720	0	8,344,732
Machinery and Equipment	4,421,041	295,095	0	4,716,136
Transportation Equipment	1,436,954	154,460	(48,625)	1,542,789
	<hr/>	<hr/>	<hr/>	<hr/>
Total Accumulated Depreciation	13,722,007	930,275	(48,625)	14,603,657
	<hr/>	<hr/>	<hr/>	<hr/>
Net Other Capital Assets	24,505,030	(551,867)	0	23,953,163
	<hr/>	<hr/>	<hr/>	<hr/>
Net Capital Assets	\$ 24,505,030	\$ (551,867)	\$ 0	\$ 23,953,163
	<hr/>	<hr/>	<hr/>	<hr/>

Depreciation for the fiscal year ended June 30, 2008, amounted to \$930,275. The District determined that it was impractical to allocate depreciation to the various governmental activities as the assets serve multiple functions.

CADILLAC AREA PUBLIC SCHOOLS
CADILLAC, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

Construction Commitments:

The District has no active construction projects as of June 30, 2008.

D. Long-Term Debt

The District issues general obligation bonds to provide funds for the acquisition, construction and improvement of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the District.

The following is a summary of the governmental long-term obligations for the District for the year ended June 30, 2008:

	SPECIAL ASSESSMENTS	COMPENSATED ABSENCES	BONDS	TOTAL
Balance, July 1, 2007	\$ 5,943	\$ 539,746	\$ 21,404,633	\$ 21,950,322
Additions	0	89,496	8,630,000	8,719,496
Deletions	(1,204)	0	(10,560,000)	(10,561,204)
Balance, June 30, 2008	4,739	629,242	19,474,633	20,108,614
Less current portion	(1,203)	0	(1,263,034)	(1,264,237)
Total due after one year	\$ 3,536	\$ 629,242	\$ 18,211,599	\$ 18,844,377

At June 30, 2008, the School District's Long-Term Debt consisted of the following:

GENERAL OBLIGATION SERIAL BONDS

2005 Refunding Bonds due in annual installments of \$590,000 to \$1,130,000
through May 1, 2022, interest at 3.50% to 5.00%

\$ 10,695,000

2008 Refunding Bonds due in annual installments of \$175,000 to \$780,000
through May 1, 2022, interest at 3.50% to 5.00%

8,630,000

CADILLAC AREA PUBLIC SCHOOLS
CADILLAC, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

SELF-LIQUIDATING BOND

1998 School Improvement Bond due in annual installments of \$13,034 to \$91,609, through May 15, 2013 149,633

SPECIAL ASSESSMENTS

The School District has five special assessments on paving and curb and gutter installation by the City of Cadillac. The obligations require annual installments of \$1,805 plus interest computed at rates varying from 6.13% to 7.00% 4,739

OTHER

Employee Benefits - Compensated Absences 629,242
Unamortized Premium on Bond Issuance 613,140

\$ 20,721,754

The annual requirements to amortize all debt outstanding as of June 30, 2008, including interest payments of \$10,468,148 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Amounts Payable</u>
2009	\$ 1,264,237	\$ 823,415	\$ 2,087,652
2010	1,222,812	778,951	2,001,763
2011	1,200,508	705,624	1,906,132
2012	1,241,053	663,391	1,904,444
2013	1,290,762	619,738	1,910,500
2014-2018	7,105,000	2,318,341	9,423,341
2019-2023	6,155,000	688,750	6,843,750
	19,479,372	6,598,210	26,077,582
Compensated Absences	629,242	0	629,242
	<u>\$ 20,108,614</u>	<u>\$ 6,598,210</u>	<u>\$ 26,706,824</u>

The annual requirements to amortize the compensated absences are uncertain because it is unknown when it will be used.

E. Interfund Receivables, Payables, and Transfers

Interfund Receivables and Payables as shown in the individual fund financial statements at June 30, 2008, were:

CADILLAC AREA PUBLIC SCHOOLS
CADILLAC, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

	INTERFUND RECEIVABLES	INTERFUND PAYABLES
General Fund	\$ 77,767	\$ 0
School Service Fund - Food Service	0	48,544
School Service Fund - Athletic Activities Fund	0	29,223
Debt Retirement Fund - 1998 Bond Issue	125,679	0
Debt Retirement Fund - 2008 Bond Issue	0	125,679
	<u>\$ 203,446</u>	<u>\$ 203,446</u>

All remaining balances generally resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All interfund balances outstanding at June 30, 2008 are expected to be repaid within one year.

Interfund transfers as shown in the individual fund financial statements at June 30, 2008, were:

	TRANSFERS IN	TRANSFERS OUT
General Fund	\$ 0	\$ 541,361
School Service Fund - Food Service	0	50,000
School Service Fund - Community School Recreation	10,000	0
School Service Fund - Camp Torenta Fund	26,000	0
School Service Fund - Athletic Activities Fund	505,361	0
Debt Retirement Fund - 1998 Bond Issue	550,000	199,868
Debt Retirement Fund - 2005 Bond Issue	0	550,000
Debt Retirement Fund - 2008 Bond Issue	199,868	0
Capital Projects Fund	50,000	0
	<u>\$ 1,341,229</u>	<u>\$ 1,341,229</u>

Transfers are used to: (1) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; (2) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due; and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

CADILLAC AREA PUBLIC SCHOOLS
CADILLAC, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

F. Leases

The rental expense for the year ended June 30, 2008, and 2007, totaled \$52,666 and \$52,841, respectively.

The rental expense consists of lease agreements on copiers. The future minimum lease payments for these leases are as follows:

<u>YEAR ENDING</u>	<u>PAYABLES</u>
2009	\$ 43,850
2010	28,488
2011	22,425
2012	854
2013	0
	<u>\$ 95,617</u>

G. Designated and Reserved Fund Balance

The School has designated the General Fund balance as follows:

1. Sick Leave

At June 30, 2008, the accumulated employee benefits liability for sick pay is estimated at \$629,242. It is reasonably possible that the estimated liabilities could change significantly due to nonvested employees leaving the District or a higher or lower than normal use of employee sick leave.

2. Working Capital

The School has had a long-standing goal of not borrowing general operating funds and of maintaining a general fund balance designated for working capital. To accomplish this goal, the School has designated 18% of budgeted expenditures for working capital, if available.

NOTE 4 - OTHER INFORMATION

A. Employee Retirement System

Plan Description. The District contributes to the statewide Michigan Public School Employees' Retirement System (MPERS), a cost-sharing multiple-employer defined benefit pension plan administered by the nine member board of MPERS. The MPERS provides retirement benefits and

CADILLAC AREA PUBLIC SCHOOLS
CADILLAC, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

postretirement benefits for health, dental and vision. The MPSERS was established by Act 136 of 1945 and operates under the provisions of Public Act 300 of 1980, as amended. The MPERS issues a publicly available financial report that includes financial statements and required supplementary information for MPSERS. That report may be obtained by writing to Michigan Public School Employees Retirement System, P.O. Box 30171, Lansing, Michigan 48909 or by calling (517) 322-5103.

Funding Policy - Member Investment Plan (MIP) members enrolled in MIP prior to January 1, 1990, contribute a permanently fixed rate of 3.9% of gross wages. The MIP contribution rate was 4.0% from January 1, 1987, the effective date of the MIP, until January 1, 1990, when it was reduced to 3.9%. Members first hired January 1, 1990, or later and returning members who did not work between January 1, 1987, through December 31, 1989, contribute at the following graduated permanently fixed contribution rate: 3% of the first \$5,000; 3.6% of \$5,001 through \$15,000; 4.3% of all wages over \$15,000.

Basic Plan members make no contributions. For a limited period ending December 31, 1992, an active Basic Plan member could enroll in the MIP by paying the contributions that would have been made had enrollment occurred initially on January 1, 1987, or on the date of hire, plus interest. MIP contributions at the rate of 3.9% of gross wages begin at enrollment. Market rate interest is posted to member accounts on July 1st on all MIP monies on deposit for 12 months. If a member leaves MPSERS service and no pension is payable, the member's accumulated contribution plus interest, if any, are refundable.

The District is required to contribute the full actuarial funding contribution amount to fund pension benefits, plus an additional amount to fund retiree health care benefit amounts on a cash disbursement basis. The rate for the year ended June 30, 2008, was 17.74% for the first quarter and 16.72% for the remainder of the year. The contribution requirements of plan members and the District are established and may be amended by the MPSERS Board of Trustees. The District contributions to MPSERS for the year ended June 30, 2008, 2007, and 2006 were \$2,604,877, \$2,682,603 and \$2,509,797 respectively, and were equal to the required contribution for those years.

The District is not responsible for the payment of retirement benefits which is the responsibility of the State of Michigan.

Other Post Employment Benefits Funding Policy

Under the MPSERS Act, all retirees have the option of continuing health, dental and vision coverage.

B. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees' and natural disasters. The District participates in two distinct pools of educational institutions within the State of Michigan for self-insuring property

CADILLAC AREA PUBLIC SCHOOLS
CADILLAC, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

and casualty and workers' disability compensation. The pools are considered public entity risk pools. The District pays annual premiums under retrospectively rated policy to the pools for the respective insurance coverage. In the event a pool's total claims and expenses for a policy year exceed the total normal annual premiums for said years, all members of the specific pool's policy year may be subject to special assessment to make up the deficiency. The workers' compensation pool and the property casualty pool maintain reinsurance for claims generally in excess of \$500,000 for each occurrence with the overall maximum coverage varying depending on the specific type coverage of reinsurance.

The District continues to carry commercial insurance for other risks of loss, including employee health and accident insurance. No settlements have occurred in excess of coverage for June 30, 2008 or any of the prior three years.

C. Sale of Future Revenues

For several years, the District has sold its rights to delinquent real property tax revenues and related late payment penalties to the Wexford, Osceola and Lake County treasurers. For the 2008 tax roll the District received a lump sum payment of \$421,895 for general operating tax revenues and \$129,731 for debt service tax revenues. These amounts represent 100% of the present value of the delinquent real property tax revenues. In exchange for these payments, the counties are allowed to keep the delinquent taxes collected plus the late payment penalties charged. If the counties are ultimately unable to collect any of these delinquent taxes, the District will have to repay the counties.

D. Prior period Adjustment

During the current year the District completed a revaluation of the District's capital assets. As a result of this revaluation it was determined that prior year capital assets, net of accumulated depreciation totaling \$25,548,658 was overstated by \$1,043,628, which overstated net assets on the government-wide statements. To correct for the revaluation, the beginning net assets balance of \$8,556,888, as originally reported, has been decreased to \$7,513,259 to adjust for the capital assets, net of accumulated depreciation decrease.

E. 2008 Refunding Bonds

On February 13, 2008, the District issued \$8,630,000 in general obligation bonds with interest rates of 3.50% to 5.00% to advance refund \$9,475,000 of outstanding 1998 bonds. The refunded bonds bore interest rates of 4.15% to 4.75%. As a result, \$9,475,000 of the 1998 bonds is considered to be defeased and the liability for those bonds has been removed from the noncurrent liabilities of the District.

This advance refunding reduced future debt service payments by \$1,066,909 and resulted in an economic gain of \$650,196 (difference between the present value of the debt service payments on the old and new debt).

CADILLAC AREA PUBLIC SCHOOLS
CADILLAC, MICHIGAN

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

YEAR ENDED JUNE 30, 2008

	GENERAL FUND		
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL
<u>REVENUES</u>			
Local Sources	\$ 6,545,703	\$ 6,496,839	\$ 6,505,505
State Sources	17,938,085	18,768,473	18,764,162
Federal Sources	997,137	927,882	907,962
Other Transactions	661,613	698,238	708,983
Total Revenues	26,142,538	26,891,432	26,886,612
<u>EXPENDITURES</u>			
Instruction			
Basic Programs	12,900,204	13,076,855	13,063,190
Added Needs	2,431,801	2,549,182	2,516,208
Adult/Continuing Education	845,781	893,517	864,729
Supporting Services			
Pupil	1,374,680	1,415,274	1,408,737
Instructional Staff	866,445	831,933	822,337
General Administration	465,500	453,434	446,269
School Administration	1,626,046	1,682,372	1,720,042
Business	571,328	543,966	549,961
Operation and Maintenance of Plant	3,169,472	3,099,166	3,107,734
Pupil Transportation Services	1,385,092	1,451,386	1,431,743
Community Services	55,600	14,501	7,718
Total Expenditures	25,691,949	26,011,586	25,938,668
Excess (Deficiency) of Revenues Over (Under) Expenditures	450,589	879,846	947,944
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers Out	(506,188)	(541,361)	(541,361)
Net Change in Fund Balance	(55,599)	338,485	406,583
<u>FUND BALANCE - Beginning of Year</u>	3,665,331	3,951,550	3,951,550
<u>FUND BALANCE - End of Year</u>	\$ 3,609,732	\$ 4,290,035	\$ 4,358,133

CADILLAC AREA PUBLIC SCHOOLS
CADILLAC, MICHIGAN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUND TYPES

JUNE 30, 2008

	SPECIAL REVENUE FUNDS	DEBT RETIREMENT FUNDS	CAPITAL PROJECTS FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 351,361	\$ 203,422	\$ 458,452	\$ 1,013,235
Taxes Receivable	0	10,152	0	10,152
Accounts Receivable	10,707	0	2,000	12,707
Due from Other Governments	12,432	0	0	12,432
Due from Other Funds	0	125,679	0	125,679
Interest Receivable	0	299	1,116	1,415
Prepaid Expenditures	225	0	0	225
Inventory	32,238	0	0	32,238
TOTAL ASSETS	\$ 406,963	\$ 339,552	\$ 461,568	\$ 1,208,083
<u>LIABILITIES AND FUND BALANCES</u>				
<u>LIABILITIES</u>				
Accounts Payable	\$ 49,681	\$ 0		\$ 49,681
Accrued Expenses	4,107	0	0	4,107
Salaries Payable	7,434	0	0	7,434
Deferred Revenue	0	7,600	0	7,600
Due to Other Funds	77,767	125,679		203,446
	138,989	133,279	0	272,268
<u>FUND BALANCE</u>				
Reserved for Inventory	32,238	0	0	32,238
Reserved for Prepaid Expenditures	225	0	0	225
Reserved for Debt Service	0	206,273	0	206,273
Unreserved, Undesignated	76,481	0	461,568	538,049
Unreserved, Designated	159,030	0	0	159,030
Total Fund Balances	267,974	206,273	461,568	935,815
TOTAL LIABILITIES AND FUND BALANCES	\$ 406,963	\$ 339,552	\$ 461,568	\$ 1,208,083

CADILLAC AREA PUBLIC SCHOOLS
CADILLAC, MICHIGAN

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUND TYPES

YEAR ENDED JUNE 30, 2008

	SPECIAL REVENUE FUNDS	DEBT RETIREMENT FUNDS	CAPITAL PROJECTS FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
<u>REVENUES</u>				
Local Sources	\$ 984,224	\$ 2,084,573	\$ 13,492	\$ 3,082,289
Intermediate Sources	68,200	0	0	68,200
State Sources	57,468	0	0	57,468
Federal Sources	679,469	0	0	679,469
Total Revenues	1,789,361	2,084,573	13,492	3,887,426
<u>EXPENDITURES</u>				
Community Services	424,764	0	0	424,764
Food Service Activities	1,178,614	0	0	1,178,614
Athletic Activities	709,725	0	0	709,725
Capital Outlay - Capital Projects	0	0	14,800	14,800
Debt Service				
Principal	0	1,085,000	0	1,085,000
Interest	0	804,146	0	804,146
Other Expenses	0	906,107	0	906,107
Total Expenditures	2,313,103	2,795,253	14,800	5,123,156
Excess (Deficiency) of Revenues Over (Under) Expenditures	(523,742)	(710,680)	(1,308)	(1,235,730)
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	541,361	749,868	50,000	1,341,229
Transfers Out	(50,000)	(749,868)	0	(799,868)
Debt Issuance	0	8,630,000	0	8,630,000
Premium on Bonds Sold	0	339,468	0	339,468
Payment to Refunded Bond Escrow Agent	0	(8,845,992)	0	(8,845,992)
Total Other Financing Sources (Uses)	491,361	123,476	50,000	664,837
Net Change in Fund Balance	(32,381)	(587,204)	48,692	(570,893)
<u>FUND BALANCE</u> - Beginning of Year	300,355	793,477	412,876	1,506,708
<u>FUND BALANCE</u> - End of Year	\$ 267,974	\$ 206,273	\$ 461,568	\$ 935,815

CADILLAC AREA PUBLIC SCHOOLS
CADILLAC, MICHIGAN

GENERAL FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2008</u>	<u>2007</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 893,380	\$ 1,959,880
Taxes Receivable	64,406	89,685
Accounts Receivable	17,797	24,490
Interest Receivable	0	621
Due from Other Governmental Units	3,974,585	3,472,010
Due from Other Funds	77,767	76,940
Prepaid Expenditures	114,548	172,676
Inventory	63,044	50,679
Investments	1,325,517	200,831
	<hr/>	<hr/>
TOTAL ASSETS	\$ 6,531,044	\$ 6,047,812
	<hr/>	<hr/>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 300,840	\$ 240,585
Due to Other Governments	13,475	0
Accrued Expenses	518,677	527,400
Salaries Payable	1,284,145	1,247,423
Deferred Revenue	55,774	80,854
	<hr/>	<hr/>
Total Liabilities	2,172,911	2,096,262
	<hr/>	<hr/>
<u>FUND BALANCE</u>		
Reserved for		
Inventory	63,044	50,679
Prepaid Expenditures	114,548	172,676
Unreserved		
Designated for		
Sick Leave	629,242	539,746
Working Capital	3,551,299	3,188,449
	<hr/>	<hr/>
Total Fund Balance	4,358,133	3,951,550
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	\$ 6,531,044	\$ 6,047,812
	<hr/>	<hr/>

CADILLAC AREA PUBLIC SCHOOLS

CADILLAC, MICHIGAN

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2008

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2007

	2008		2007
	BUDGET	ACTUAL	ACTUAL
<u>REVENUES</u>			
Local Sources	\$ 6,496,839	\$ 6,505,505	\$ 5,962,303
State Sources	18,768,473	18,764,162	18,842,479
Federal Sources	927,882	907,962	931,402
Other Transactions	698,238	708,983	646,664
Total Revenues	26,891,432	26,886,612	26,382,848
<u>EXPENDITURES</u>			
Instruction			
Basic Programs			
Elementary	5,554,646	5,554,000	5,361,835
Middle/Junior High	3,996,659	3,988,075	4,033,467
High School	2,907,957	2,906,806	3,029,343
Pre-School	506,827	499,410	534,243
Other Basic Programs	110,766	114,899	133,685
Added Needs			
Special Education	2,015,117	2,001,304	1,950,302
Compensatory Education	534,065	514,904	498,951
Adult/Continuing Education			
Basic Programs	893,517	864,729	930,319
Supporting Services			
Pupil			
Attendance Services	166,663	166,354	158,995
Guidance Services	810,840	815,415	903,398
Health Services	650	646	939
Other Pupil Services	437,121	426,322	402,865
Instructional Staff			
Curriculum Improvement	116,116	112,617	107,567
Educational Media Service	230,884	229,076	230,705
Educational Radio and TV	64,499	63,406	41,166
Computer Assisted Instruction	397,544	391,700	402,637
Supervision and Direction	22,390	25,173	24,889
Academic Student Assessment	500	365	0
General Administration			
Board of Education	92,544	90,965	107,540
Executive Administration	360,890	355,304	346,427

CADILLAC AREA PUBLIC SCHOOLS

CADILLAC, MICHIGAN

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2008

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2007

	<u>2008</u>		<u>2007</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
School Administration			
Office of the Principal	1,682,372	1,720,042	1,782,810
Business			
Fiscal Services	418,924	418,919	397,895
Other Business Services	125,042	131,042	134,022
Operation and Maintenance of Plant	3,099,166	3,107,734	3,129,158
Pupil Transportation Services	1,451,386	1,431,743	1,396,298
Community Services			
Civic Activities	13,498	6,715	12,511
Custody and Care of Children	1,003	1,003	32,656
Total Expenditures	<u>26,011,586</u>	<u>25,938,668</u>	<u>26,084,623</u>
Excess of Revenues Over (Under) Expenditures	<u>879,846</u>	<u>947,944</u>	<u>298,225</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers Out			
School Service Funds			
Athletic Activities	(505,361)	(505,361)	(313,400)
Camp Torenta	(26,000)	(26,000)	(28,000)
Cadillac Community School Recreation	(10,000)	(10,000)	(40,000)
Total	<u>(541,361)</u>	<u>(541,361)</u>	<u>(381,400)</u>
Net Change in Fund Balance	338,485	406,583	(83,175)
<u>FUND BALANCE</u> - Beginning of Year	<u>3,951,550</u>	<u>3,951,550</u>	<u>4,034,725</u>
<u>FUND BALANCE</u> - End of Year	<u>\$ 4,290,035</u>	<u>\$ 4,358,133</u>	<u>\$ 3,951,550</u>

CADILLAC AREA PUBLIC SCHOOLS
CADILLAC, MICHIGAN

GENERAL FUND
ANALYSIS OF REVENUES - BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2007

	<u>2008</u>		<u>2007</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>LOCAL SOURCES</u>			
Property Taxes			
Current Year Levy	\$ 6,041,534	\$ 6,037,582	\$ 5,592,579
Penalties and Interest on Delinquent Taxes	20,830	21,956	19,155
Tuition	6,700	8,983	6,762
Earnings on Investments and Deposits	91,000	87,120	113,718
Other Local Revenues			
Rentals	59,000	59,389	57,049
Private Sources	17,473	16,489	28,027
Driver Education	0	150	600
Miscellaneous	260,302	273,836	144,413
Total Local Sources	<u>6,496,839</u>	<u>6,505,505</u>	<u>5,962,303</u>
<u>STATE SOURCES</u>			
Grants-In-Aid			
Received Through State			
State School Aid	18,043,848	18,044,236	18,222,188
Middle School Math and Science	0	0	37,626
Durant	23,422	23,422	23,422
Received Through Intermediate School District			
Childhood	693,600	693,600	554,400
Great Parents	7,603	2,904	4,843
Total State Sources	<u>18,768,473</u>	<u>18,764,162</u>	<u>18,842,479</u>

CADILLAC AREA PUBLIC SCHOOLS
CADILLAC, MICHIGAN

GENERAL FUND
ANALYSIS OF REVENUES - BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2007

	<u>2008</u>		<u>2007</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>FEDERAL SOURCES</u>			
Grants-In-Aid Restricted			
Received Through the State			
Title I	646,407	626,561	589,510
Drug Free Schools	16,300	15,984	16,550
FIA School Success Program	0	0	14,508
Title II	222,812	223,054	237,849
Title V	3,284	3,284	2,759
Grants-In-Aid			
Received Through Intermediate School District			
Administrative Outreach	19,358	19,358	20,496
Payments in Lieu of Taxes			
National Forest	19,721	19,721	49,730
Total Federal Sources	927,882	907,962	931,402
<u>OTHER TRANSACTIONS</u>			
Transfers from Other Governmental Units			
Intermediate School District			
Special Education	516,820	516,820	402,993
Meal Delivery Reimbursement	3,360	3,360	3,340
Medicaid Caseload Coordination	71,396	81,741	68,723
Transition Mini-Grant	4,779	4,779	3,102
Transportation Reimbursement	6,554	6,953	3,122
Hearing Improvement and Rent	75,004	75,005	146,000
City of Cadillac	12,000	12,000	12,000
Sale of Capital Assets	8,325	8,325	7,384
Total Other Transactions	698,238	708,983	646,664
TOTAL REVENUES	\$ 26,891,432	\$ 26,886,612	\$ 26,382,848

CADILLAC AREA PUBLIC SCHOOLS
CADILLAC, MICHIGAN

GENERAL FUND
ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2007

<u>INSTRUCTION</u>	<u>2008</u>		<u>2007</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>Basic Programs</u>			
<u>Elementary</u>			
Salaries	\$ 3,513,445	\$ 3,514,649	\$ 3,357,568
Employee Benefits	1,753,912	1,753,056	1,743,087
Purchased Services	111,755	111,966	110,713
Supplies and Materials	173,069	171,865	96,747
Capital Outlay	2,465	2,464	53,720
	<u>5,554,646</u>	<u>5,554,000</u>	<u>5,361,835</u>
<u>Middle/Junior High</u>			
Salaries	2,555,534	2,564,062	2,515,139
Employee Benefits	1,204,835	1,191,461	1,242,001
Purchased Services	56,390	55,799	57,214
Supplies and Materials	144,845	142,890	184,032
Capital Outlay	33,585	32,973	34,211
Other Expense	1,470	890	870
	<u>3,996,659</u>	<u>3,988,075</u>	<u>4,033,467</u>
<u>High School</u>			
Salaries	1,816,094	1,823,622	1,951,447
Employee Benefits	838,619	830,711	883,886
Purchased Services	55,033	51,951	50,511
Supplies and Materials	127,520	129,963	113,456
Capital Outlay	59,381	59,384	20,237
Other Expense	11,310	11,175	9,806
	<u>2,907,957</u>	<u>2,906,806</u>	<u>3,029,343</u>
<u>Pre-School</u>			
Salaries	308,560	299,342	268,113
Employee Benefits	139,772	135,602	111,930
Purchased Services	6,884	4,301	121,648
Supplies and Materials	44,111	52,779	24,423
Capital Outlay	7,500	7,386	8,129
	<u>506,827</u>	<u>499,410</u>	<u>534,243</u>
<u>Other Basic Programs</u>			
Salaries	87,716	92,211	107,208
Employee Benefits	21,655	21,795	24,300
Supplies and Materials	1,395	893	2,177
	<u>110,766</u>	<u>114,899</u>	<u>133,685</u>

CADILLAC AREA PUBLIC SCHOOLS
CADILLAC, MICHIGAN

GENERAL FUND
ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2007

	2008		2007
	BUDGET	ACTUAL	ACTUAL
<u>Added Needs</u>			
<u>Special Education</u>			
Salaries	1,291,179	1,287,111	1,284,650
Employee Benefits	687,334	678,199	634,240
Purchased Services	3,800	4,965	4,535
Supplies and Materials	31,249	29,474	26,877
Capital Outlay	1,555	1,555	0
	<u>2,015,117</u>	<u>2,001,304</u>	<u>1,950,302</u>
<u>Compensatory Education</u>			
Salaries	332,132	321,878	313,428
Employee Benefits	200,284	191,368	183,297
Purchased Services	149	0	649
Supplies and Materials	0	548	917
Other Expense	1,500	1,110	660
	<u>534,065</u>	<u>514,904</u>	<u>498,951</u>
<u>Adult/Continuing Education</u>			
Salaries	558,699	550,962	619,460
Employee Benefits	285,952	268,069	267,394
Purchased Services	25,330	24,274	25,528
Supplies and Materials	11,793	10,016	8,195
Capital Outlay	4,373	3,820	2,373
Other Expense	370	369	369
Transfers to Other Districts	7,000	7,219	7,000
	<u>893,517</u>	<u>864,729</u>	<u>930,319</u>
<u>SUPPORTING SERVICES</u>			
<u>Pupil</u>			
<u>Attendance Services</u>			
Salaries	96,500	95,886	91,823
Employee Benefits	70,163	70,468	67,172
	<u>166,663</u>	<u>166,354</u>	<u>158,995</u>
<u>Guidance Services</u>			
Salaries	505,422	510,677	552,157
Employee Benefits	262,320	263,222	281,725
Purchased Services	40,319	39,679	67,896
Supplies and Materials	2,779	1,837	1,620
	<u>810,840</u>	<u>815,415</u>	<u>903,398</u>

CADILLAC AREA PUBLIC SCHOOLS
CADILLAC, MICHIGAN

GENERAL FUND

ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2008

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2007

	2008		2007
	BUDGET	ACTUAL	ACTUAL
<u>Health Services</u>			
Supplies and Materials	650	646	939
<u>Other Pupil Services</u>			
Salaries	334,305	339,611	319,984
Employee Benefits	82,247	81,593	78,297
Purchased Services	20,569	5,077	4,584
Supplies and Materials	0	41	0
	437,121	426,322	402,865
<u>Instructional Staff</u>			
<u>Curriculum Improvement</u>			
Salaries	67,828	67,400	68,171
Employee Benefits	21,843	21,841	24,220
Purchased Services	12,708	10,542	10,709
Supplies	7,647	6,834	2,287
Capital Outlay	6,000	6,000	2,180
Other Expenses	90	0	0
	116,116	112,617	107,567
<u>Educational Media Services</u>			
Salaries	129,642	129,500	132,430
Employee Benefits	66,463	64,638	69,595
Purchased Services	11,851	11,948	8,395
Supplies and Materials	22,928	22,990	19,367
Capital Outlay	0	0	918
	230,884	229,076	230,705
<u>Educational Radio and TV</u>			
Salaries	41,190	39,684	26,480
Employee Benefits	14,290	13,884	11,874
Purchased Services	590	1,447	2,028
Supplies and Materials	614	550	509
Capital Outlay	7,815	7,816	275
Other Expenses	0	25	0
	64,499	63,406	41,166

CADILLAC AREA PUBLIC SCHOOLS
CADILLAC, MICHIGAN

GENERAL FUND
ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2007

	2008		2007
	BUDGET	ACTUAL	ACTUAL
<u>Computer Assisted Instruction</u>			
Salaries	232,000	228,910	224,168
Employee Benefits	101,244	100,378	97,495
Purchased Services	47,300	45,361	42,202
Supplies and Materials	17,000	17,051	12,492
Capital Outlay	0	0	26,280
	<u>397,544</u>	<u>391,700</u>	<u>402,637</u>
<u>Supervision and Direction</u>			
Salaries	14,765	18,729	17,483
Employee Benefits	7,625	6,444	7,406
	<u>22,390</u>	<u>25,173</u>	<u>24,889</u>
<u>Academic Student Assessment</u>			
Supplies and Materials	<u>500</u>	<u>365</u>	<u>0</u>
<u>General Administration</u>			
<u>Board of Education</u>			
Purchased Services	82,924	81,355	97,539
Supplies and Materials	200	190	1,069
Other Expenses	9,420	9,420	8,932
	<u>92,544</u>	<u>90,965</u>	<u>107,540</u>
<u>Executive Administration</u>			
Salaries	218,880	215,086	209,054
Employee Benefits	110,220	108,599	102,997
Purchased Services	27,390	27,755	27,272
Supplies and Materials	3,300	2,767	3,413
Capital Outlay	0	0	1,363
Other Expenses	1,100	1,097	2,328
	<u>360,890</u>	<u>355,304</u>	<u>346,427</u>
<u>School Administration</u>			
<u>Office of the Principal</u>			
Salaries	1,056,969	1,056,614	1,132,709
Employee Benefits	566,540	606,391	586,317
Purchased Services	42,423	41,915	47,134
Supplies and Materials	12,940	11,734	12,522
Other Expense	3,500	3,388	4,128
	<u>1,682,372</u>	<u>1,720,042</u>	<u>1,782,810</u>

CADILLAC AREA PUBLIC SCHOOLS
CADILLAC, MICHIGAN

GENERAL FUND

ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2008

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2007

	<u>2008</u>		<u>2007</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>Business</u>			
<u>Fiscal Services</u>			
Salaries	251,765	251,167	246,311
Employee Benefits	142,069	144,017	136,446
Purchased Services	16,190	15,282	8,941
Supplies and Materials	7,500	7,258	3,873
Capital Outlay	0	0	1,070
Other Expenses	1,400	1,195	1,254
	<u>418,924</u>	<u>418,919</u>	<u>397,895</u>
<u>Other Business Services</u>			
Purchased Services	122,797	124,161	127,204
Supplies and Materials	245	716	245
Capital Outlay	0	0	5,295
Other Expenses	2,000	6,165	1,278
	<u>125,042</u>	<u>131,042</u>	<u>134,022</u>
<u>Operation and Maintenance of Plant</u>			
Salaries	861,086	849,430	912,958
Employee Benefits	628,591	623,989	634,126
Purchased Services	709,061	724,193	679,496
Supplies and Materials	814,725	826,753	864,391
Capital Outlay	85,303	83,245	37,847
Other Expense	400	124	340
	<u>3,099,166</u>	<u>3,107,734</u>	<u>3,129,158</u>
<u>Pupil Transportation Services</u>			
Salaries	561,503	554,820	565,795
Employee Benefits	399,874	398,498	398,301
Purchased Services	55,854	54,138	58,488
Supplies and Materials	351,800	341,873	289,646
Capital Outlay	78,605	78,605	81,677
Other Expenses	3,750	3,809	2,391
	<u>1,451,386</u>	<u>1,431,743</u>	<u>1,396,298</u>

CADILLAC AREA PUBLIC SCHOOLS
CADILLAC, MICHIGAN

GENERAL FUND

ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2008

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2007

	2008		2007
	BUDGET	ACTUAL	ACTUAL
<u>COMMUNITY SERVICES</u>			
<u>Civic Activities</u>			
Salaries	6,105	2,324	3,836
Employee Benefits	1,498	580	974
Purchased Services	0	0	1,753
Supplies and Materials	0	0	300
Other Expenses	5,895	3,811	5,648
	<u>13,498</u>	<u>6,715</u>	<u>12,511</u>
<u>Custody and Care of Children</u>			
Salaries	800	800	25,340
Employee Benefits	203	203	6,389
Purchased Services	0	0	927
	<u>1,003</u>	<u>1,003</u>	<u>32,656</u>
Total Expenditures	<u>26,011,586</u>	<u>25,938,668</u>	<u>26,084,623</u>
<u>OTHER FINANCING USES</u>			
Transfers Out			
School Service Funds			
Athletic Activities	505,361	505,361	313,400
Camp Torenta	26,000	26,000	28,000
Cadillac Community School Recreation	10,000	10,000	40,000
	<u>541,361</u>	<u>541,361</u>	<u>381,400</u>
TOTAL EXPENDITURES AND OTHER USES	<u>\$ 26,552,947</u>	<u>\$ 26,480,029</u>	<u>\$ 26,466,023</u>

CADILLAC AREA PUBLIC SCHOOLS
CADILLAC, MICHIGAN

SPECIAL REVENUE (SCHOOL SERVICE) FUNDS
COMBINING BALANCE SHEET

JUNE 30, 2008

WITH COMPARATIVE TOTALS FOR JUNE 30, 2007

	<u>FOOD SERVICE FUND</u>	<u>ATHLETIC ACTIVITIES FUND</u>
<u>ASSETS</u>		
Cash	\$ 226,119	\$ 45,543
Accounts Receivable	4,402	0
Due from Other Governmental Units	11,789	0
Due from Other Funds	0	0
Prepaid Expenditures	225	0
Inventory	32,238	0
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 274,773</u>	<u>\$ 45,543</u>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 48,695	\$ 0
Accrued Expenses	2,361	0
Salaries Payable	0	0
Due to Other Funds	48,544	29,223
	<hr/>	<hr/>
Total Liabilities	99,600	29,223
	<hr/>	<hr/>
<u>FUND BALANCE</u>		
Reserved for		
Inventory	32,238	0
Prepaid Expenditures	225	0
Unreserved		
Designated for:		
Food Service	142,710	0
Athletic Activities	0	16,320
Undesignated	0	0
	<hr/>	<hr/>
Total Fund Balance	175,173	16,320
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 274,773</u>	<u>\$ 45,543</u>

CADILLAC COMMUNITY SCHOOL RECREATION FUND	CAMP TORENTA FUND	TOTALS	
		2008	2007
\$ 76,491	\$ 3,208	\$ 351,361	\$ 338,972
6,305	0	10,707	10,626
643	0	12,432	12,473
0	0	0	5,000
0	0	225	3,787
0	0	32,238	39,587
<u>\$ 83,439</u>	<u>\$ 3,208</u>	<u>\$ 406,963</u>	<u>\$ 410,445</u>
\$ 965	\$ 21	\$ 49,681	\$ 23,792
1,746	0	4,107	2,334
7,434	0	7,434	7,024
0	0	77,767	76,940
<u>10,145</u>	<u>21</u>	<u>138,989</u>	<u>\$ 110,090</u>
0	0	32,238	39,587
0	0	225	3,787
0	0	142,710	124,142
0	0	16,320	51,713
73,294	3,187	76,481	81,126
<u>73,294</u>	<u>3,187</u>	<u>267,974</u>	<u>300,355</u>
<u>\$ 83,439</u>	<u>\$ 3,208</u>	<u>\$ 406,963</u>	<u>\$ 410,445</u>

CADILLAC AREA PUBLIC SCHOOLS
CADILLAC, MICHIGAN

SPECIAL REVENUE (SCHOOL SERVICE) FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2008
WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2007

	FOOD SERVICE FUND	ATHLETIC ACTIVITIES FUND
<u>REVENUES</u>		
Local Sources	\$ 507,806	\$ 168,971
Intermediate Sources	0	0
State Sources	57,468	0
Federal Sources	670,997	0
Other Transactions	0	0
	<hr/>	<hr/>
Total Revenues	1,236,271	168,971
	<hr/>	<hr/>
<u>EXPENDITURES</u>		
Salaries	290,719	385,568
Employee Benefits	165,868	123,611
Purchased Services	170,391	112,243
Supplies and Materials	531,525	71,030
Capital Outlay	1,568	5,541
Other Expense	18,543	11,732
	<hr/>	<hr/>
Total Expenditures	1,178,614	709,725
	<hr/>	<hr/>
Excess of Revenues Over (Under) Expenditures	57,657	(540,754)
	<hr/>	<hr/>
<u>OTHER FINANCING SOURCES (USES)</u>		
Transfers In (Out)	(50,000)	505,361
	<hr/>	<hr/>
Net Change in Fund Balance	7,657	(35,393)
	<hr/>	<hr/>
<u>FUND BALANCE</u> - Beginning of Year	167,516	51,713
	<hr/>	<hr/>
<u>FUND BALANCE</u> - End of Year	\$ 175,173	\$ 16,320
	<hr/>	<hr/>

CADILLAC COMMUNITY SCHOOL RECREATION FUND	CAMP TORENTA FUND	TOTALS	
		2008	2007
\$ 294,729	\$ 12,718	\$ 984,224	\$ 1,043,513
68,200	0	68,200	68,700
0	0	57,468	54,522
8,472	0	679,469	605,077
0	0	0	95
371,401	12,718	1,789,361	1,771,907
225,104	2,840	904,231	779,174
49,569	218	339,266	283,782
40,313	6,256	329,203	357,459
66,798	23,947	693,300	614,873
0	1,230	8,339	37,951
2,649	5,840	38,764	33,275
384,433	40,331	2,313,103	2,106,514
(13,032)	(27,613)	(523,742)	(334,607)
10,000	26,000	491,361	381,400
(3,032)	(1,613)	(32,381)	46,793
76,326	4,800	300,355	253,562
\$ 73,294	\$ 3,187	\$ 267,974	\$ 300,355

CADILLAC AREA PUBLIC SCHOOLS
CADILLAC, MICHIGAN

FOOD SERVICE FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2008</u>	<u>2007</u>
<u>ASSETS</u>		
Cash	\$ 226,119	\$ 186,273
Accounts Receivable	4,402	3,155
Due from Other Governmental Units	11,789	11,585
Prepaid Expenditures	225	3,787
Inventory	32,238	39,587
TOTAL ASSETS	<u>\$ 274,773</u>	<u>\$ 244,387</u>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 48,695	\$ 16,627
Accrued Expenses	2,361	0
Due to Other Funds	48,544	60,244
Total Liabilities	<u>99,600</u>	<u>76,871</u>
<u>FUND BALANCE</u>		
Reserved for		
Inventory	32,238	39,587
Prepaid Expenditures	225	3,787
Unreserved		
Designated for Food Service	142,710	124,142
Total Fund Balance	<u>175,173</u>	<u>167,516</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 274,773</u>	<u>\$ 244,387</u>

CADILLAC AREA PUBLIC SCHOOLS

CADILLAC, MICHIGAN

FOOD SERVICE FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30,

	2008	2007
<u>REVENUES</u>		
Local Sources		
Earnings on Investments and Deposits	\$ 1,233	\$ 1,068
Food Sales to Pupils	461,508	480,478
Food Sales to Adults	19,208	22,417
Food Reimbursements and Banquets	16,481	18,964
Food Sales - Vending	9,376	7,575
State Sources		
State Aid - Regular	57,468	54,522
Federal Sources		
Federal Aid - Regular	603,279	522,187
Federal Aid - Summer	9,181	10,004
Federal Aid - U.S.D.A. Commodities	58,537	64,919
Other Transactions		
Refunds and Rebates	0	95
Total Revenues	1,236,271	1,182,229
<u>EXPENDITURES</u>		
Salaries	290,719	287,195
Employee Benefits	165,868	170,721
Purchased Services	170,391	179,138
Supplies and Materials	531,525	466,308
Capital Outlay	1,568	6,393
Other Expenses	18,543	17,408
Total Expenditures	1,178,614	1,127,163
Excess of Revenues Over Expenditures	57,657	55,066
<u>OTHER FINANCING SOURCES (USES)</u>		
Transfers Out		
Capital Projects Fund	(50,000)	0
Net Change in Fund Balance	7,657	55,066
<u>FUND BALANCE</u> - Beginning of Year	167,516	112,450
<u>FUND BALANCE</u> - End of Year	\$ 175,173	\$ 167,516

CADILLAC AREA PUBLIC SCHOOLS
CADILLAC, MICHIGAN

ATHLETIC ACTIVITIES FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30,

	<u>2008</u>	<u>2007</u>
<u>REVENUES</u>		
Local Sources		
Earnings on Investments and Deposits	\$ 1,083	\$ 1,022
Admissions	64,570	64,826
Activity Tickets	16,595	18,525
Donations	36,400	39,160
Miscellaneous		
Student Participation Fees	13,840	14,327
Tournament Revenue	7,882	36,655
Sponsorships	15,500	22,750
Entry Fees	10,030	6,715
Other	3,071	1,830
Total Revenues	<u>168,971</u>	<u>205,810</u>
<u>EXPENDITURES</u>		
Salaries	385,568	275,721
Employee Benefits	123,611	69,886
Purchased Services	112,243	130,470
Supplies and Materials	71,030	63,403
Capital Outlay - Equipment	5,541	15,308
Other Expenses	11,732	12,031
Total Expenditures	<u>709,725</u>	<u>566,819</u>
Excess of Revenues Over (Under) Expenditures	(540,754)	(361,009)
<u>OTHER FINANCING SOURCES (USES)</u>		
Transfers In		
General Fund	<u>505,361</u>	<u>313,400</u>
Net Change in Fund Balance	(35,393)	(47,609)
<u>FUND BALANCE</u> - Beginning of Year	<u>51,713</u>	<u>99,322</u>
<u>FUND BALANCE</u> - End of Year	<u>\$ 16,320</u>	<u>\$ 51,713</u>

CADILLAC AREA PUBLIC SCHOOLS
CADILLAC, MICHIGAN

CADILLAC COMMUNITY SCHOOL RECREATION FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	2008	2007
	<hr/>	
<u>ASSETS</u>		
Cash	\$ 76,491	\$ 79,490
Accounts Receivable	6,305	7,471
Due from Other Governmental Units	643	888
	<hr/>	
TOTAL ASSETS	\$ 83,439	\$ 87,849
	<hr/>	
	<u>LIABILITIES AND FUND BALANCE</u>	
<u>LIABILITIES</u>		
Accounts Payable	\$ 965	\$ 2,165
Accrued Expenses	1,746	2,334
Salaries Payable	7,434	7,024
	<hr/>	
Total Liabilities	10,145	11,523
	<hr/>	
<u>FUND BALANCE</u>		
Unreserved		
Undesignated	73,294	76,326
	<hr/>	
TOTAL LIABILITIES AND FUND BALANCE	\$ 83,439	\$ 87,849
	<hr/>	

CADILLAC AREA PUBLIC SCHOOLS
CADILLAC, MICHIGAN

CADILLAC COMMUNITY SCHOOL RECREATION FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30,

	<u>2008</u>	<u>2007</u>
<u>REVENUES</u>		
Local Sources		
Tuition and Fees		
Enrichment	\$ 224,801	\$ 217,449
Recreation	66,275	64,782
Senior Citizens Center	2,052	2,268
Other Local Revenues		
Miscellaneous		
Other Revenue	294	867
Earnings on Investments and Deposits	1,307	3,975
Intermediate Sources		
Contribution from the City of Cadillac	62,200	62,700
Wexford County United Way	6,000	6,000
Federal Sources		
Meals Reimbursement	8,472	7,967
	<hr/>	<hr/>
Total Revenues	371,401	366,008
	<hr/>	<hr/>
<u>EXPENDITURES</u>		
Supporting Services		
Operation and Maintenance		
Salaries	8,972	7,387
Employee Benefits	2,320	999
Purchased Services	4,065	4,898
Supplies and Materials	4,510	4,076
	<hr/>	<hr/>
	19,867	17,360
	<hr/>	<hr/>
Community Services		
Direction		
Purchased Services	3,581	3,475
Supplies and Materials	104	923
Other Expenses	95	95
	<hr/>	<hr/>
	3,780	4,493
	<hr/>	<hr/>

CADILLAC AREA PUBLIC SCHOOLS
CADILLAC, MICHIGAN

CADILLAC COMMUNITY SCHOOL RECREATION FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30,

	<u>2008</u>	<u>2007</u>
Recreation		
Salaries	54,514	52,945
Employee Benefits	12,828	10,089
Purchased Services	32,248	31,216
Supplies and Materials	41,982	37,200
	<u>141,572</u>	<u>131,450</u>
Enrichment		
Salaries	161,618	153,171
Employee Benefits	34,421	31,871
Community Services		
Purchased Services	419	2,302
Supplies and Materials	20,202	19,301
	<u>216,660</u>	<u>206,645</u>
Other Community Services		
Other Programs		
Other Expenses	2,554	3,505
	<u>2,554</u>	<u>3,505</u>
Total Expenditures	<u>384,433</u>	<u>363,453</u>
Excess of Revenues Over (Under) Expenditures	(13,032)	2,555
<u>OTHER FINANCING SOURCES (USES)</u>		
Transfers In		
General Fund	10,000	40,000
	<u>10,000</u>	<u>40,000</u>
Net Change in Fund Balance	(3,032)	42,555
<u>FUND BALANCE</u> - Beginning of Year	<u>76,326</u>	<u>33,771</u>
<u>FUND BALANCE</u> - End of Year	<u>\$ 73,294</u>	<u>\$ 76,326</u>

CADILLAC AREA PUBLIC SCHOOLS
CADILLAC, MICHIGAN

CAMP TORENTA FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	<u>2008</u>	<u>2007</u>
<u>ASSETS</u>		
Cash	\$ 3,208	\$ 4,800
Due from Other Funds	0	5,000
TOTAL ASSETS	<u>\$ 3,208</u>	<u>\$ 9,800</u>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 21	\$ 5,000
<u>FUND BALANCE</u>		
Unreserved		
Undesignated	<u>3,187</u>	<u>4,800</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 3,208</u>	<u>\$ 9,800</u>

CADILLAC AREA PUBLIC SCHOOLS
CADILLAC, MICHIGAN

CAMP TORENTA FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30,

	<u>2008</u>	<u>2007</u>
<u>REVENUES</u>		
Local Sources		
Rental Fees	\$ 4,278	\$ 5,640
Contributions	8,050	12,000
Earnings on Investments	390	220
	<hr/>	<hr/>
Total Revenues	12,718	17,860
	<hr/>	<hr/>
<u>EXPENDITURES</u>		
Community Services		
Salaries	2,840	2,755
Employee Benefits	218	216
Purchased Services	6,256	5,960
Supplies and Materials	23,947	23,662
Capital Outlay	1,230	16,250
Other	5,840	236
	<hr/>	<hr/>
Total Expenditures	40,331	49,079
	<hr/>	<hr/>
Excess of Revenues Over (Under) Expenditures	(27,613)	(31,219)
<u>OTHER FINANCING SOURCES</u>		
Transfers In		
General Fund	26,000	28,000
	<hr/>	<hr/>
Net Change in Fund Balance	(1,613)	(3,219)
<u>FUND BALANCE</u> - Beginning of Year	4,800	8,019
	<hr/>	<hr/>
<u>FUND BALANCE</u> - End of Year	\$ 3,187	\$ 4,800
	<hr/>	<hr/>

CADILLAC AREA PUBLIC SCHOOLS
CADILLAC, MICHIGAN

DEBT RETIREMENT FUNDS
COMBINING BALANCE SHEET

JUNE 30, 2008
WITH COMPARATIVE TOTALS FOR JUNE 30, 2007

	<u>BOND ISSUE OF</u>				<u>TOTALS</u>	
<u>ASSETS</u>	<u>1998</u>	<u>2005</u>	<u>2008</u>	<u>DURANT</u>	<u>2008</u>	<u>2007</u>
Cash and Cash Equivalents	\$ 125,569	\$ 77,853	\$ 0	\$ 0	\$ 203,422	\$ 785,690
Taxes Receivable	0	7,871	2,281	0	10,152	19,511
Interest Receivable	110	189	0	0	299	2,491
Due from Other Funds	0	0	125,679	0	125,679	0
TOTAL ASSETS	<u>\$ 125,679</u>	<u>\$ 85,913</u>	<u>\$ 127,960</u>	<u>\$ 0</u>	<u>\$ 339,552</u>	<u>\$ 807,692</u>
<u>LIABILITIES AND FUND BALANCE</u>						
<u>LIABILITIES</u>						
Deferred Revenue	\$ 0	\$ 5,906	\$ 1,694	\$ 0	\$ 7,600	\$ 14,215
Due to Other Funds	125,679	0	0	0	125,679	0
Total Liabilities	125,679	5,906	1,694	0	133,279	14,215
<u>FUND BALANCE</u>						
Reserved for Debt Retirement	0	80,007	126,266	0	206,273	793,477
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 125,679</u>	<u>\$ 85,913</u>	<u>\$ 127,960</u>	<u>\$ 0</u>	<u>\$ 339,552</u>	<u>\$ 807,692</u>

CADILLAC AREA PUBLIC SCHOOLS
CADILLAC, MICHIGAN

DEBT RETIREMENT FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2008
WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2007

	BOND ISSUE OF				TOTALS	
	1998	2005	2008	DURANT	2008	2007
<u>REVENUES</u>						
Local Sources						
Property Tax Levy	\$ 460,335	\$ 1,541,121	\$ 0	\$ 0	\$ 2,001,456	\$ 1,956,453
Industrial Facilities Tax	7,659	25,641	0	0	33,300	34,701
Penalties and Interest on						
Delinquent Taxes	1,763	5,904	0	0	7,667	4,345
Earnings on Investments						
and Deposits	8,948	33,202	0	0	42,150	62,585
State Sources						
Durant Settlement - Debt Service	0	0	0	0	0	0
Total Revenues	478,705	1,605,868	0	0	2,084,573	2,058,084
<u>EXPENDITURES</u>						
Redemption of Serial Bonds	40,000	1,045,000	0	0	1,085,000	1,050,000
Interest on Debt	219,181	511,363	73,602	0	804,146	978,069
Dues and Fees	1,550	991	0	0	2,541	1,941
Taxes Abated and Written Off	785	2,759	0	0	3,544	24,276
Advanced Refunding Escrow	781,000	0	0	0	781,000	0
Bond Issuance Costs	119,022	0	0	0	119,022	0
Total Expenditures	1,161,538	1,560,113	73,602	0	2,795,253	2,054,286
Excess of Revenues Over						
(Under) Expenditures	(682,833)	45,755	(73,602)	0	(710,680)	3,798
<u>OTHER FINANCING SOURCES (USES)</u>						
Transfers In	550,000	0	199,868	0	749,868	0
Transfers Out	(199,868)	(550,000)	0	0	(749,868)	0
Debt Issuance	8,630,000	0	0	0	8,630,000	0
Premium on Bonds Sold	339,468	0	0	0	339,468	0
Payment to Refunded Bond Escrow Agent	(8,845,992)	0	0	0	(8,845,992)	0
	473,608	(550,000)	199,868	0	123,476	0
Net Change in Fund Balance	(209,225)	(504,245)	126,266	0	(587,204)	3,798
<u>FUND BALANCE</u> - Beginning of Year	209,225	584,252	0	0	793,477	789,679
<u>FUND BALANCE</u> - End of Year	\$ 0	\$ 80,007	\$ 126,266	\$ 0	\$ 206,273	\$ 793,477

CADILLAC AREA PUBLIC SCHOOLS
CADILLAC, MICHIGAN

CAPITAL PROJECTS FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30,

	<u>2008</u>	<u>2007</u>
<u>REVENUES</u>		
Local Sources		
Contributions	\$ 2,235	\$ 177,571
Earnings on Investments and Deposits	11,257	15,425
State Sources		
DNR Grant	<u>0</u>	<u>364,269</u>
Total Revenues	13,492	557,265
<u>EXPENDITURES</u>		
Capital Outlay	<u>14,800</u>	<u>678,581</u>
Excess of Revenues Over (Under) Expenditures	(1,308)	(121,316)
<u>OTHER FINANCING SOURCES (USES)</u>		
Transfers In	<u>50,000</u>	<u>0</u>
Net Change in Fund Balance	48,692	(121,316)
<u>FUND BALANCE</u> - Beginning of Year	<u>412,876</u>	<u>534,192</u>
<u>FUND BALANCE</u> - End of Year	<u><u>\$ 461,568</u></u>	<u><u>\$ 412,876</u></u>

CADILLAC AREA PUBLIC SCHOOLS
CADILLAC, MICHIGAN

FIDUCIARY FUND TYPES
COMBINING BALANCE SHEET

JUNE 30, 2008
WITH COMPARATIVE TOTALS FOR JUNE 30, 2007

		PRIVATE PURPOSE TRUST FUNDS	AGENCY FUNDS
	<u>ASSETS</u>		
Cash and Cash Equivalents		\$ 268,472	\$ 150,441
Accrued Interest		1,289	0
Accounts Receivable		0	0
TOTAL ASSETS		<u>\$ 269,761</u>	<u>\$ 150,441</u>
	<u>LIABILITIES AND FUND BALANCE</u>		
	<u>LIABILITIES</u>		
Due to Groups and Organizations		<u>\$ 0</u>	<u>\$ 150,441</u>
	<u>FUND BALANCE</u>		
Reserved for:			
Scholarships and Memorials		238,456	0
Football Program Endowment		31,305	0
Total Fund Balance		<u>269,761</u>	<u>0</u>
TOTAL LIABILITIES AND FUND BALANCE		<u>\$ 269,761</u>	<u>\$ 150,441</u>

TOTALS	
2008	2007
\$ 418,913	\$ 432,242
1,289	1,203
0	1,253
<u>\$ 420,202</u>	<u>\$ 434,698</u>

<u>\$ 150,441</u>	<u>\$ 165,686</u>
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238,456	237,707
31,305	31,305

<u>269,761</u>	<u>269,012</u>
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<u>\$ 420,202</u>	<u>\$ 434,698</u>
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CADILLAC AREA PUBLIC SCHOOLS
CADILLAC, MICHIGAN

PRIVATE PURPOSE TRUST FUNDS
COMBINING BALANCE SHEET

JUNE 30, 2008
WITH COMPARATIVE TOTALS FOR JUNE 30, 2007

	HEAZLIT TRUST	TERRILL MEMORIAL	MEMORIAL PLAQUE	VONBARGEN SCHOLARSHIP
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 33,485	\$ 2,668	\$ 865	\$ 6,214
Accrued Interest	161	12	0	24
Accounts Receivable	0	0	0	0
 TOTAL ASSETS	 \$ 33,646	 \$ 2,680	 \$ 865	 \$ 6,238
<u>LIABILITIES AND FUND BALANCE</u>				
<u>LIABILITIES</u>	\$ 0	\$ 0	\$ 0	\$ 0
<u>FUND BALANCE</u>				
Reserved for:				
Student Scholarships and Memorials	2,341	2,680	865	6,238
Football Program Endowment	31,305	0	0	0
 Total Fund Balance	 33,646	 2,680	 865	 6,238
 TOTAL LIABILITIES AND FUND BALANCE	 \$ 33,646	 \$ 2,680	 \$ 865	 \$ 6,238

KARCHER TRUST	KRIS EGGLE SCHOLARSHIP	BELL MEMORIAL	BRODEUR ESTATE	LINDBERG SCHOLARSHIP	TOTALS	
					2008	2007
\$ 140	\$ 3,685	\$ 27,648	\$ 193,767	\$ 0	\$ 268,472	\$ 267,809
0	17	134	941	0	1,289	1,203
0	0	0	0	0	0	1,253
\$ 140	\$ 3,702	\$ 27,782	\$ 194,708	\$ 0	\$ 269,761	\$ 270,265
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,253
140	3,702	27,782	194,708	0	238,456	237,707
0	0	0	0	0	31,305	31,305
140	3,702	27,782	194,708	0	269,761	269,012
\$ 140	\$ 3,702	\$ 27,782	\$ 194,708	\$ 0	\$ 269,761	\$ 270,265

CADILLAC AREA PUBLIC SCHOOLS
CADILLAC, MICHIGAN

PRIVATE PURPOSE TRUST FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2008

WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2007

	HEAZLIT TRUST	TERRILL MEMORIAL	MEMORIAL PLAQUE	VONBARGEN SCHOLARSHIP
<u>REVENUES</u>				
Earnings on Investments and Deposits	\$ 1,196	\$ 112	\$ 7	\$ 244
Donations	0	300	0	0
Total Revenues	1,196	412	7	244
<u>EXPENDITURES</u>				
Scholarship Awards	0	300	0	0
Banquet Expenses	0	0	0	0
Other	656	0	0	0
Total Expenditures	656	300	0	0
Excess of Revenues Over (Under) Expenditures	540	112	7	244
<u>FUND BALANCE</u> - Beginning of Year	33,106	2,568	858	5,994
<u>FUND BALANCE</u> - End of Year	\$ 33,646	\$ 2,680	\$ 865	\$ 6,238

KARCHER TRUST	KRIS EGGLE SCHOLARSHIP	BELL MEMORIAL	BRODEUR ESTATE	LINDBERG SCHOLARSHIP	TOTALS	
					2008	2007
\$ 0	\$ 173	\$ 1,218	\$ 8,415	\$ 0	\$ 11,365	\$ 13,263
2,000	800	0	0	1,000	4,100	6,323
2,000	973	1,218	8,415	1,000	15,465	19,586
0	1,000	1,400	8,500	1,000	12,200	15,850
1,860	0	0	0	0	1,860	3,253
0	0	0	0	0	656	3,020
1,860	1,000	1,400	8,500	1,000	14,716	22,123
140	(27)	(182)	(85)	0	749	(2,537)
0	3,729	27,964	194,793	0	269,012	271,549
\$ 140	\$ 3,702	\$ 27,782	\$ 194,708	\$ 0	\$ 269,761	\$ 269,012

CADILLAC AREA PUBLIC SCHOOLS
CADILLAC, MICHIGAN

AGENCY FUNDS
COMBINING BALANCE SHEET

JUNE 30, 2008
WITH COMPARATIVE TOTALS FOR JUNE 30, 2007

	ELEMENTARY SCHOOLS ACCOUNT	MIDDLE SCHOOLS ACCOUNT	JUNIOR HIGH SCHOOL
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 60,997	\$ 20,823	\$ 12,617
<u>LIABILITIES AND FUND BALANCE</u>			
<u>LIABILITIES</u>			
Due to Groups and Organizations	\$ 60,997	\$ 20,823	\$ 12,617
<u>FUND BALANCE</u>	0	0	0
TOTAL LIABILITIES AND FUND BALANCE	\$ 60,997	\$ 20,823	\$ 12,617

HIGH SCHOOL ACCOUNT	COMMUNITY SCHOOL ACCOUNT	TOTALS	
		2008	2007
\$ 54,501	\$ 1,503	\$ 150,441	\$ 164,433
\$ 54,501	\$ 1,503	\$ 150,441	\$ 164,433
0	0	0	0
\$ 54,501	\$ 1,503	\$ 150,441	\$ 164,433

CADILLAC AREA PUBLIC SCHOOLS
CADILLAC, MICHIGAN

AGENCY FUND - ELEMENTARY SCHOOLS ACCOUNT

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND BALANCE
YEAR ENDED JUNE 30, 2008

	BALANCE 07/01/07	RECEIPTS (Including Transfers)	DISBURSEMENTS	BALANCE 6/30/08
Forest View	\$ 14,531	\$ 29,856	\$ 26,918	\$ 17,469
Franklin	19,618	33,692	38,781	14,529
Kenwood	25,608	19,389	28,211	16,786
Lincoln	8,837	18,857	20,336	7,358
McKinley	8,289	13,599	17,033	4,855
	<u>\$ 76,883</u>	<u>\$ 115,393</u>	<u>\$ 131,279</u>	<u>\$ 60,997</u>
Represented by				
Assets				
Cash	<u>\$ 76,833</u>			<u>\$ 60,997</u>
Liabilities				
Due to Groups and Organizations	<u>\$ 76,833</u>			<u>\$ 60,997</u>

CADILLAC AREA PUBLIC SCHOOLS
CADILLAC, MICHIGAN

AGENCY FUND - JUNIOR HIGH SCHOOL ACCOUNT

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND BALANCE
YEAR ENDED JUNE 30, 2008

	BALANCE 07/01/07	RECEIPTS (Including Transfers)	DISBURSEMENTS	BALANCE 6/30/08
Band	\$ 235	\$ 14,645	\$ 14,356	\$ 524
Connections	0	960	949	11
Home Economics	365	398	298	465
Library	81	0	0	81
Pride Team	0	4,898	3,693	1,205
Special Education	346	0	51	295
Student Council	630	2,828	2,328	1,130
Yearbook	1,208	7,679	7,973	914
Ski Club	326	604	671	259
9th Grade Student Council	967	3,655	3,358	1,264
Office	9,554	2,480	5,565	6,469
	<u>\$ 13,712</u>	<u>\$ 38,147</u>	<u>\$ 39,242</u>	<u>\$ 12,617</u>
Represented by				
Assets				
Cash	<u>\$ 13,712</u>			<u>\$ 12,617</u>
Liabilities				
Due to Groups and Organizations	<u>\$ 13,712</u>			<u>\$ 12,617</u>

CADILLAC AREA PUBLIC SCHOOLS
CADILLAC, MICHIGAN

AGENCY FUND - MACKINAW TRAIL MIDDLE SCHOOL ACCOUNT

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND BALANCE
YEAR ENDED JUNE 30, 2008

	BALANCE 07/01/07	RECEIPTS (Including Transfers)	DISBURSEMENTS	BALANCE 6/30/08
MTMS Clothing	\$ 207	\$ 0	\$ 0	\$ 207
Yearbook	271	3,082	2,694	659
Student Council	494	467	591	370
Art	477	0	0	477
Ski Club	437	2,731	2,314	854
Discovery Team	1,220	1,718	1,212	1,726
School Store	211	547	448	310
Supernova	659	3,433	3,123	969
Protostars	236	781	332	685
Social Committee	0	0	9	(9)
Information Center	526	5,250	5,658	118
Zenith	2,187	971	1,097	2,061
Natural Helpers	60	745	500	305
Starquest	933	979	1,386	526
Cosmic	1,448	3,132	2,472	2,108
Health	763	840	951	652
Nebula	2,357	1,763	2,271	1,849
Clubs Choice	64	49,510	49,702	(128)
Strings Acct	82	0	0	82
Alpha	3,312	3,722	4,020	3,014
Office Account	1,558	5,506	4,637	2,427
Volleyball	1	731	732	0
Voyagers	1,834	940	1,213	1,561
	<u>\$ 19,337</u>	<u>\$ 86,848</u>	<u>\$ 85,362</u>	<u>\$ 20,823</u>

Represented By

Assets

Cash

\$ 19,337

\$ 20,823

Liabilities

Due to Groups and Organizations

\$ 19,337

\$ 20,823

CADILLAC AREA PUBLIC SCHOOLS
CADILLAC, MICHIGAN

AGENCY FUND - HIGH SCHOOL ACCOUNT

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND BALANCE
YEAR ENDED JUNE 30, 2008

	BALANCE 07/01/07	RECEIPTS (Including Transfers)	DISBURSEMENTS	BALANCE 6/30/08
Art Class	\$ 9,020	\$ 681	\$ 428	\$ 9,273
Band	34	691	685	40
Book Club	734	0	116	618
Business Department	685	0	0	685
C.H.S. Entertainers	628	5,393	4,341	1,680
Class of 2007	1,285	0	1,285	0
Class of 2008	5,381	1,480	4,015	2,846
Class of 2009	4,190	4,849	7,175	1,864
Class of 2010	0	4,089	409	3,680
Debate	111	99	0	210
Drama	2,148	2,443	2,339	2,252
Faculty	192	592	534	250
Forensics	173	3	19	157
French Club	163	1,410	1,202	371
General	1,966	17,292	14,950	4,308
German Club	197	0	0	197
Graphic Arts	5,628	4,080	2,762	6,946
Graphic Calculator	808	300	0	1,108
Interact	67	303	150	220
Musical	86	9,727	7,509	2,304
National Honor Society	1,179	884	1,667	396
Athletic Program Fund	6,763	2,838	3,335	6,266
Science Olympiad	612	0	154	458
Spanish Club	90	0	0	90
Special Education Fund	733	602	470	865
Student Book Deposits	3,230	0	0	3,230
Student Council	3,779	3,401	4,208	2,972
Student Recognition Fund	1,200	0	0	1,200
Percussion Club	517	560	928	149
Yearbook	168	12,549	12,851	(134)
	<u>\$ 51,767</u>	<u>\$ 74,266</u>	<u>\$ 71,532</u>	<u>\$ 54,501</u>

CADILLAC AREA PUBLIC SCHOOLS
CADILLAC, MICHIGAN

AGENCY FUND - HIGH SCHOOL ACCOUNT

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND BALANCE
YEAR ENDED JUNE 30, 2008

	BALANCE 07/01/07	RECEIPTS (Including Transfers)	DISBURSEMENTS	BALANCE 6/30/08
Represented by				
Assets				
Cash	\$ 31,767			\$ 34,501
Investments	20,000			20,000
	<u>\$ 51,767</u>			<u>\$ 54,501</u>
Liabilities				
Due to Groups and Organizations	<u>\$ 51,767</u>			<u>\$ 54,501</u>

CADILLAC AREA PUBLIC SCHOOLS
CADILLAC, MICHIGAN

AGENCY FUND - CADILLAC COMMUNITY SCHOOL RECREATION ACCOUNT

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND BALANCE
YEAR ENDED JUNE 30, 2008

	BALANCE 07/01/07	RECEIPTS (Including Transfers)	DISBURSEMENTS	BALANCE 6/30/08
Prom and Prom Scholarship	\$ 284	\$ 0	\$ 0	\$ 284
Student Council	742	0	735	7
Coke	1,331	6,238	6,769	800
Red Cards	0	1,210	1,210	0
Athletics	25	300	275	50
Art Supplies	0	250	240	10
Cap and Gown	0	533	533	0
Yearbook	352	0	0	352
	<u>\$ 2,734</u>	<u>\$ 8,531</u>	<u>\$ 9,762</u>	<u>\$ 1,503</u>
Represented By				
Assets				
Cash	<u>\$ 2,734</u>			<u>\$ 1,503</u>
Liabilities				
Due to Groups and Organizations	<u>\$ 2,734</u>			<u>\$ 1,503</u>

CADILLAC AREA PUBLIC SCHOOLS
CADILLAC, MICHIGAN
SCHEDULE OF 2007 TAX ROLLS
YEAR ENDED JUNE 30, 2008

	TAXABLE VALUATION	TAXES ASSESSED	TAXES COLLECTED	TAXES RETURNED DELINQUENT
<u>GENERAL FUND (18.000 MILLS)</u>				
<u>WEXFORD COUNTY</u>				
City of Cadillac	\$ 143,344,743	\$ 2,580,205	\$ 2,433,360	\$ 146,845
Boon Township	5,653,329	101,757	91,230	10,527
Cherry Grove Township	32,077,925	577,395	528,469	48,926
Clam Lake Township	28,995,067	521,907	463,199	58,708
Haring Township	82,037,158	1,476,687	1,355,864	120,823
Henderson Township	2,748,612	49,474	37,573	11,901
Selma Township	24,675,923	444,162	414,213	29,949
Slagle Township	3,199,949	57,606	55,314	2,292
South Branch Township	11,958,975	215,258	202,884	12,374
<u>OSCEOLA COUNTY</u>				
Sherman Township	168,021	3,024	2,209	815
<u>LAKE COUNTY</u>				
Newkirk Township	561,520	10,107	8,753	1,354
	<u>\$ 335,421,222</u>	<u>\$ 6,037,582</u>	<u>\$ 5,593,068</u>	<u>\$ 444,514</u>
<u>DEBT RETIREMENT FUNDS (2.90 MILLS)</u>				
<u>WEXFORD COUNTY</u>				
City of Cadillac	\$ 248,875,586	\$ 721,740	\$ 680,895	\$ 40,845
Antioch Township	50,302	146	146	0
Boon Township	15,812,557	45,851	41,234	4,617
Cherry Grove Township	99,131,434	287,481	268,706	18,775
Clam Lake Township	83,872,172	243,229	224,838	18,391
Colfax Township	143,999	418	418	0
Haring Township	145,027,456	420,589	387,660	32,929
Henderson Township	5,914,596	17,150	14,461	2,689
Selma Township	65,536,352	190,055	176,550	13,505
Slagle Township	4,261,229	12,356	11,913	443
South Branch Township	19,373,317	56,183	52,788	3,395
<u>OSCEOLA COUNTY</u>				
Sherman Township	1,289,393	3,739	3,591	148
<u>LAKE COUNTY</u>				
Newkirk Township	868,610	2,519	2,146	373
	<u>\$ 690,157,003</u>	<u>\$ 2,001,456</u>	<u>\$ 1,865,346</u>	<u>\$ 136,110</u>

CADILLAC AREA PUBLIC SCHOOLS
CADILLAC, MICHIGAN

SCHEDULE OF 2007 INDUSTRIAL FACILITIES TAX ROLLS
YEAR ENDED JUNE 30, 2008

	TAXES ASSESSED	TAXES COLLECTED	TAXES RETURNED DELINQUENT
<u>DEBT RETIREMENT FUND</u>			
<u>WEXFORD COUNTY</u>			
City of Cadillac	\$ 32,827	\$ 32,827	\$ 0
Haring Township	284	284	0
Selma Township	189	189	0
	<u>\$ 33,300</u>	<u>\$ 33,300</u>	<u>\$ 0</u>

ALLOCATION OF DEBT RETIREMENT FUND TAX

1998 Debt	\$ 7,659	\$ 7,659	\$ 0
2005 Debt	25,641	25,641	0
Total	<u>\$ 33,300</u>	<u>\$ 33,300</u>	<u>\$ 0</u>

CADILLAC AREA PUBLIC SCHOOLS
CADILLAC, MICHIGAN

SCHEDULE OF BONDS PAYABLE
JUNE 30, 2008

1998 REFUNDING BOND ISSUE

<u>TITLE OF ISSUE</u>	1998 Refunding Bonds		
<u>PURPOSE</u>	To advance refund a portion of a prior bond issue of the School District and the costs of issuing the bonds.		
<u>DATE OF ISSUE</u>	December 15, 1998		
<u>INTEREST PAYABLE</u>	May 1, and November 1, of each year		
<u>AMOUNT OF ISSUE</u>			\$ 9,745,000
<u>AMOUNT REDEEMED</u>			
Prior to Current Year	\$	230,000	
During Current Year		40,000	
Bonds Defeased		<u>9,475,000</u>	<u>(9,745,000)</u>
<u>BALANCE OUTSTANDING - June 30, 2008</u>			<u>\$ 0</u>
<u>DENOMINATIONS</u>	\$5,000 each, or any integral multiple thereof.		
<u>REDEMPTION PRIOR TO MATURITY</u>	The Bonds or portions of Bonds in multiples of \$5,000, maturing on or after May 1, 2009 are subject to redemption prior to maturity at the option of the School District in such order as the School District may determine, by lot within any maturity, on any interest payment date occurring on or after May 1, 2008, at par and accrued interest to the date fixed for redemption.		
<u>TAX LEVY FOR RETIREMENT OF BONDS</u>	The bonds will pledge the full faith and credit of the School District for payment of the principal and interest thereon, and will be payable from ad valorem taxes, which may be levied without limitation as to rate or amount.		

CADILLAC AREA PUBLIC SCHOOLS
CADILLAC, MICHIGAN

SCHEDULE OF BONDS PAYABLE
JUNE 30, 2008

1998 SCHOOL IMPROVEMENT BOND ISSUE

<u>TITLE OF ISSUE</u>	1998 School Improvement Bond (Durant Settlement)		
<u>PURPOSE</u>	This Bond was issued for purposes permitted in Section 1351(a) of Act 451, Public Acts of Michigan		
<u>DATE OF ISSUE</u>	November 24, 1998		
<u>INTEREST PAYABLE</u>	May 15th, of each year		
<u>AMOUNT OF ISSUE</u>		\$	234,216
<u>AMOUNT REDEEMED</u>			
Prior to Current Year	\$	84,583	
During Current Year		<u>0</u>	<u>84,583</u>
<u>BALANCE OUTSTANDING</u> - June 30, 2008		\$	<u><u>149,633</u></u>

<u>DUE DATES</u>	<u>REQUIREMENTS</u>		
	<u>TOTAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>
May 15, 2009	\$ 16,448	\$ 3,414	\$ 13,034
May 15, 2010	110,507	18,898	91,609
May 15, 2011	16,447	2,142	14,305
May 15, 2012	16,447	1,461	14,986
May 15, 2013	<u>16,446</u>	<u>747</u>	<u>15,699</u>
	<u>\$ 176,295</u>	<u>\$ 26,662</u>	<u>\$ 149,633</u>

CADILLAC AREA PUBLIC SCHOOLS
CADILLAC, MICHIGAN

SCHEDULE OF BONDS PAYABLE
JUNE 30, 2008

1998 SCHOOL IMPROVEMENT BOND ISSUE

REDEMPTION PRIOR TO MATURITY

This bond is not subject to redemption prior to maturity by the School District and the School District may not issue any other bonds or obligations for the purpose of refunding this bond.

TAX LEVY/STATE AID

The revenues to retire the Durant Settlement Bonds are to come from yearly transfers of state aid from the State of Michigan, thus, no property taxes are levied for these payments.

CADILLAC AREA PUBLIC SCHOOLS
CADILLAC, MICHIGAN

SCHEDULE OF BONDS PAYABLE
JUNE 30, 2008

2005 REFUNDING BOND ISSUE

<u>TITLE OF ISSUE</u>	2005 Refunding Bonds
<u>PURPOSE</u>	To advance refund a portion of a prior bond issue of the School District and the costs of issuing the
<u>DATE OF ISSUE</u>	March 14, 2005
<u>INTEREST PAYABLE</u>	May 1, and November 1, of each year
<u>AMOUNT OF ISSUE</u>	\$ 12,755,000
<u>AMOUNT REDEEMED</u>	
Prior to Current Year	\$ 1,015,000
During Current Year	<u>1,045,000</u> <u>(2,060,000)</u>
<u>BALANCE OUTSTANDING - June 30, 2008</u>	<u><u>\$ 10,695,000</u></u>

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>TOTAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>
November 1, 2008		\$ 240,006	\$ 240,006	
May 1, 2009	5.000 %	1,315,006	240,006	\$ 1,075,000
November 1, 2009		213,131	213,131	
May 1, 2010	5.000 %	1,343,131	213,131	1,130,000
November 1, 2010		184,882	184,882	
May 1, 2011	3.500 %	774,882	184,882	590,000
November 1, 2011		174,556	174,556	
May 1, 2012	3.500 %	784,556	174,556	610,000
November 1, 2012		163,881	163,881	
May 1, 2013	4.000 %	798,881	163,881	635,000
November 1, 2013		151,181	151,181	
May 1, 2014	4.000 %	811,181	151,181	660,000
November 1, 2014		137,981	137,981	
May 1, 2015	4.000 %	817,981	137,981	680,000
November 1, 2015		124,381	124,381	

CADILLAC AREA PUBLIC SCHOOLS
CADILLAC, MICHIGAN

SCHEDULE OF BONDS PAYABLE
JUNE 30, 2008

2005 REFUNDING BOND ISSUE

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>TOTAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>
May 1, 2016	5.000 %	834,381	124,381	710,000
November 1, 2016		106,631	106,631	
May 1, 2017	3.875 %	851,632	106,632	745,000
November 1, 2017		92,197	92,197	
May 1, 2018	3.875 %	857,197	92,197	765,000
November 1, 2018		77,375	77,375	
May 1, 2019	5.000 %	862,375	77,375	785,000
November 1, 2019		57,750	57,750	
May 1, 2020	5.000 %	837,750	57,750	780,000
November 1, 2020		38,250	38,250	
May 1, 2021	5.000 %	808,250	38,250	770,000
November 1, 2021		19,000	19,000	
May 1, 2022	5.000 %	779,000	19,000	760,000
		<u>\$ 14,257,405</u>	<u>\$ 3,562,405</u>	<u>\$ 10,695,000</u>

DENOMINATIONS

\$5,000 each, or any integral multiple thereof.

REDEMPTION PRIOR TO MATURITY

The Bonds or portions of Bonds in multiples of \$5,000, maturing on or after May 1, 2016 are subject to redemption prior to maturity at the option of the School District in such order as the School District may determine, by lot within any maturity, on any interest payment date occurring on or after May 1, 2015, at par and accrued interest to the date fixed for redemption.

TAX LEVY FOR RETIREMENT OF BONDS

The bonds will pledge the full faith and credit of the School District for payment of the principal and interest thereon, and will be payable from ad valorem taxes, which may be levied without limitation as to rate or amount.

CADILLAC AREA PUBLIC SCHOOLS
CADILLAC, MICHIGAN

SCHEDULE OF BONDS PAYABLE
JUNE 30, 2008

2008 REFUNDING BOND ISSUE

<u>TITLE OF ISSUE</u>	2008 Refunding Bonds
<u>PURPOSE</u>	To advance refund a portion of a prior bond issue of the School District and the costs of issuing the bonds.
<u>DATE OF ISSUE</u>	February 13, 2008
<u>INTEREST PAYABLE</u>	May 1, and November 1, of each year
<u>AMOUNT OF ISSUE</u>	\$ 8,630,000
<u>AMOUNT REDEEMED</u>	
Prior to Current Year	\$ 0
During Current Year	0
<u>BALANCE OUTSTANDING - June 30, 2008</u>	<u>\$ 8,630,000</u>

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>TOTAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>
November 1, 2008		\$ 169,850	\$ 169,850	
May 1, 2009	3.500 %	344,850	169,850	\$ 175,000
November 1, 2009		166,788	166,788	
May 1, 2010	3.500 %	166,787	166,787	0
November 1, 2010		166,788	166,788	
May 1, 2011	3.500 %	761,788	166,788	595,000
November 1, 2011		156,375	156,375	
May 1, 2012	3.500 %	771,375	156,375	615,000
November 1, 2012		145,613	145,613	
May 1, 2013	3.500 %	785,613	145,613	640,000
November 1, 2013		134,412	134,412	
May 1, 2014	3.500 %	794,412	134,412	660,000
November 1, 2014		122,862	122,862	
May 1, 2015	3.500 %	807,862	122,862	685,000
November 1, 2015		110,875	110,875	

CADILLAC AREA PUBLIC SCHOOLS
CADILLAC, MICHIGAN

SCHEDULE OF BONDS PAYABLE
JUNE 30, 2008

2008 REFUNDING BOND ISSUE

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>TOTAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>
May 1, 2016	3.500 %	820,875	110,875	710,000
November 1, 2016		98,450	98,450	
May 1, 2017	5.000 %	828,450	98,450	730,000
November 1, 2017		80,200	80,200	
May 1, 2018	5.000 %	840,200	80,200	760,000
November 1, 2018		61,200	61,200	
May 1, 2019	4.000 %	841,200	61,200	780,000
November 1, 2019		45,600	45,600	
May 1, 2020	4.000 %	815,600	45,600	770,000
November 1, 2020		30,200	30,200	
May 1, 2021	4.000 %	790,200	30,200	760,000
November 1, 2021		15,000	15,000	
May 1, 2022	4.000 %	765,000	15,000	750,000
		<u>\$ 11,638,425</u>	<u>\$ 3,008,425</u>	<u>\$ 8,630,000</u>

DENOMINATIONS

\$5,000 each, or any integral multiple thereof.

REDEMPTION PRIOR TO MATURITY

The Bonds or portions of Bonds in multiples of \$5,000, maturing on or after May 1, 2018 are subject to redemption prior to maturity at the option of the School District in such order as the School District may determine, by lot within any maturity, on any

TAX LEVY FOR RETIREMENT OF BONDS

The bonds will pledge the full faith and credit of the School District for payment of the principal and interest thereon, and will be payable from ad valorem taxes, which may be levied without limitation as to rate or amount.

Baird, Cotter and Bishop, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

134 WEST HARRIS STREET CADILLAC, MICHIGAN 49601

PHONE: 231-775-9789 FAX: 231-775-9749

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August 8, 2008

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

Board of Education
Cadillac Area Public Schools
Cadillac, Michigan

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Cadillac Area Public Schools for the year ended June 30, 2008, and have issued our report thereon dated August 8, 2008. Professional standards require that we provide you with the following information related to our audit.

Our Responsibilities under U.S. Generally Accepted Auditing Standards and OMB Circular A-133

As stated in our engagement letter dated June 20, 2008, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered Cadillac Area Public Schools' internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

As part of obtaining reasonable assurance about whether Cadillac Area Public Schools' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit. Also in accordance with OMB Circular A-133, we examined, on a test basis, evidence about Cadillac Area Public Schools' compliance with the types of compliance requirements described

in the “U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement” applicable to each of its major federal programs for the purpose of expressing an opinion on Cadillac Area Public Schools’ compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on Cadillac Area Public Schools’ compliance with those requirements.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by Cadillac Area Public Schools are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2007-08. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. We proposed several adjusting journal entries which were reviewed and accepted by management. No material misstatements were noted.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor’s report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated August 8, 2008.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

During the course of our audit of the basic financial statements of Cadillac Area Public Schools for the year ended June 30, 2008, we noted the following list of items which we feel deserve comment:

Limited Internal Controls Over Decentralized Cash Collections

Management is responsible for establishing and maintaining internal controls over cash for the District.

At many schools districts, internal controls over decentralized cash collections present a challenge for management. The District needs to improve the controls in place related to decentralized cash collections.

This condition was caused by limited personnel involved in the process and a lack of documentation related to the cash collection process.

The District is aware of this limitation, and is in the process of evaluating and implementing new controls to correct or mitigate this situation in the future.

This communication is intended solely for the information and use of the Board and others within the organization. This restriction is not intended to limit the distribution of the report, which is a matter of public record.

BAIRD, COTTER AND BISHOP, P.C.

Baird, Cotter & Bishop, P.C.